

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: April 7-8, 2004

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Action Item

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Chief Financial Officer

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Ref: **DRAFT FEDERAL FISCAL YEAR (FFY) 2004-05 BUSINESS PLAN FOR
THE PACIFIC SURFLINER INTERCITY RAIL CORRIDOR**

The Department of Transportation (Department) prepares the Pacific Surfliner Business Plan (Plan) in accordance with the Supplemental Report of the 2002 Budget Act that directs the Department to prepare annually, for the Legislature and the Secretary for Business, Transportation and Housing, a business plan for each intercity rail route it administers. These plans present the Department's short-term operational and capital plans for each route administered by the State for the next contract year.

At the Commission's request, the Department is presenting this Draft Pacific Surfliner Business Plan to the Commission for review. This Plan reflects the Governor's Proposed Budget for FY 2004-05.

Key elements in the Draft FFY 2004-05 Pacific Surfliner Route (San Luis Obispo –Santa Barbara - Los Angeles – San Diego) Business Plan are summarized below:

Operating Improvements: A second round-trip to San Luis Obispo is proposed to start in FFY 2004-05, and will be promoted with public relations activities and advertising. Marketing and advertising will continue to be based on seasonal themes. The Department will continue to promote the successful Rail 2 Rail Program, which facilitates transfers between Metrolink and Amtrak. An Amtrak/Metrolink through-ticketing option will be provided in 2004, once new ticket vending machines are operational. In spring 2004, the Department will expand the Rail 2 Rail Program to the Coaster Service. The Department will expand partnerships with other organizations for joint advertising and promotions. Feeder bus performance will continued to be monitored.

Capital Improvements: The Department plans to: start construction in 2004 on the triple track project between Los Angeles and Fullerton (Bandini – D.T. Junction section) and the Lincoln Ave. double track project in Orange County; continue work on several track, signal and bridge projects in San Diego County; and complete in 2004 environmental clearance and engineering work on run-through tracks at Los Angeles Union Station. Construction will continue on the Camarillo station and the Santa Ana station pedestrian bridge. The Department is working with Amtrak and Metrolink to implement a new system of ticket vending machines by October 2004.

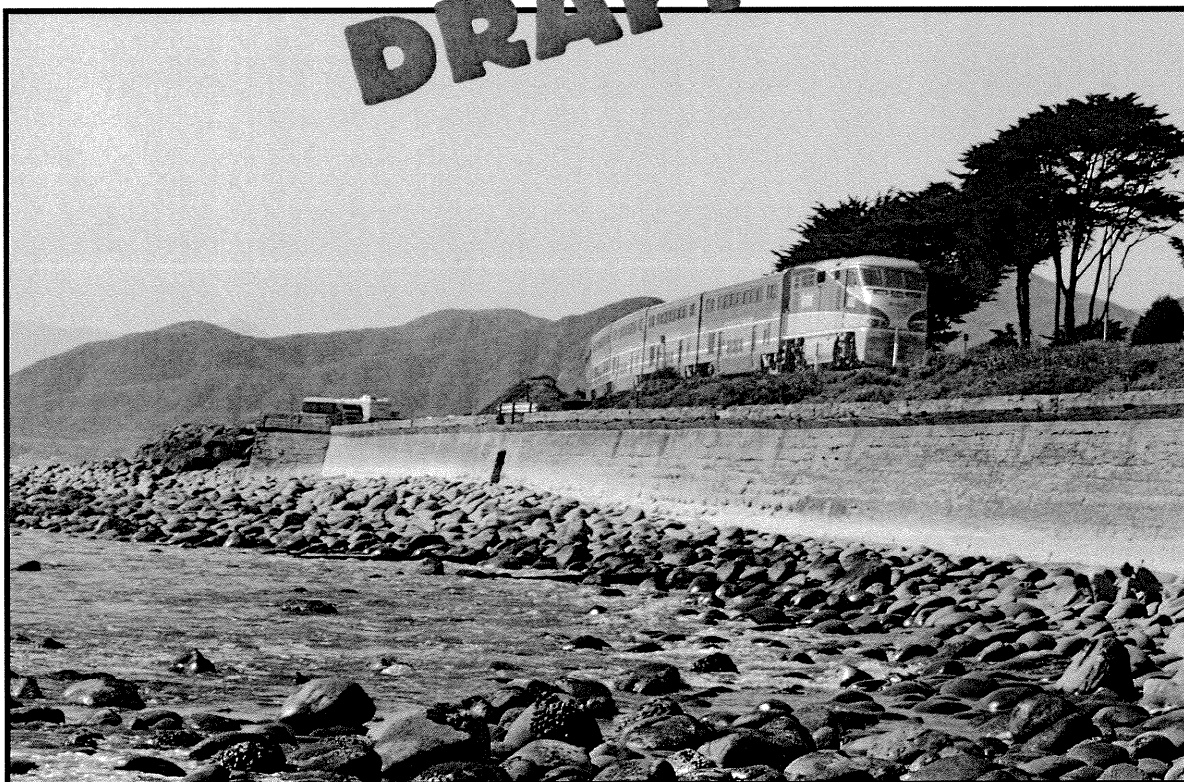
Performance Measures: FFY 2002-03 ridership of 2,179,427 was above the standard of 1,898,900 by 14.8 percent, and was the highest ever for the route. The farebox ratio was 52.2 percent, only 0.2 percent below the FFY 2001-02 farebox return of 52.4 percent. Ridership growth in FFY 2002-03 was unprecedented, in large part due to the Rail 2 Rail Program. Financial indicators were also solid.

In the current year, FFY 2003-04, a ridership increase of 5.9 percent to 2,308,728 is projected, with revenues projected to increase by 5.6 percent to \$24.3 million. In the Plan year, FFY 2004-05, ridership is projected to increase by 7.9 percent and revenues to increase by 14.0 percent. The projected growth in FFY 2004-05 reflects the proposed addition of a second San Luis Obispo train.

Attachment

PACIFIC SURFLINER ROUTE FFY 2004–05 BUSINESS PLAN

DRAFT



State of California Department of Transportation

April 2004



ARNOLD SCHWARZENEGGER, Governor

SUNNE WRIGHT MCPEAK, Secretary
Business, Transportation and Housing Agency

TONY HARRIS, Acting Director
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EXECUTIVE SUMMARY

During Federal Fiscal Year (FFY) 2004-05, the California Department of Transportation (Department) will take the following actions to enhance the Pacific Surfliner Route service, in order to meet the performance measures established for the Pacific Surfliner.

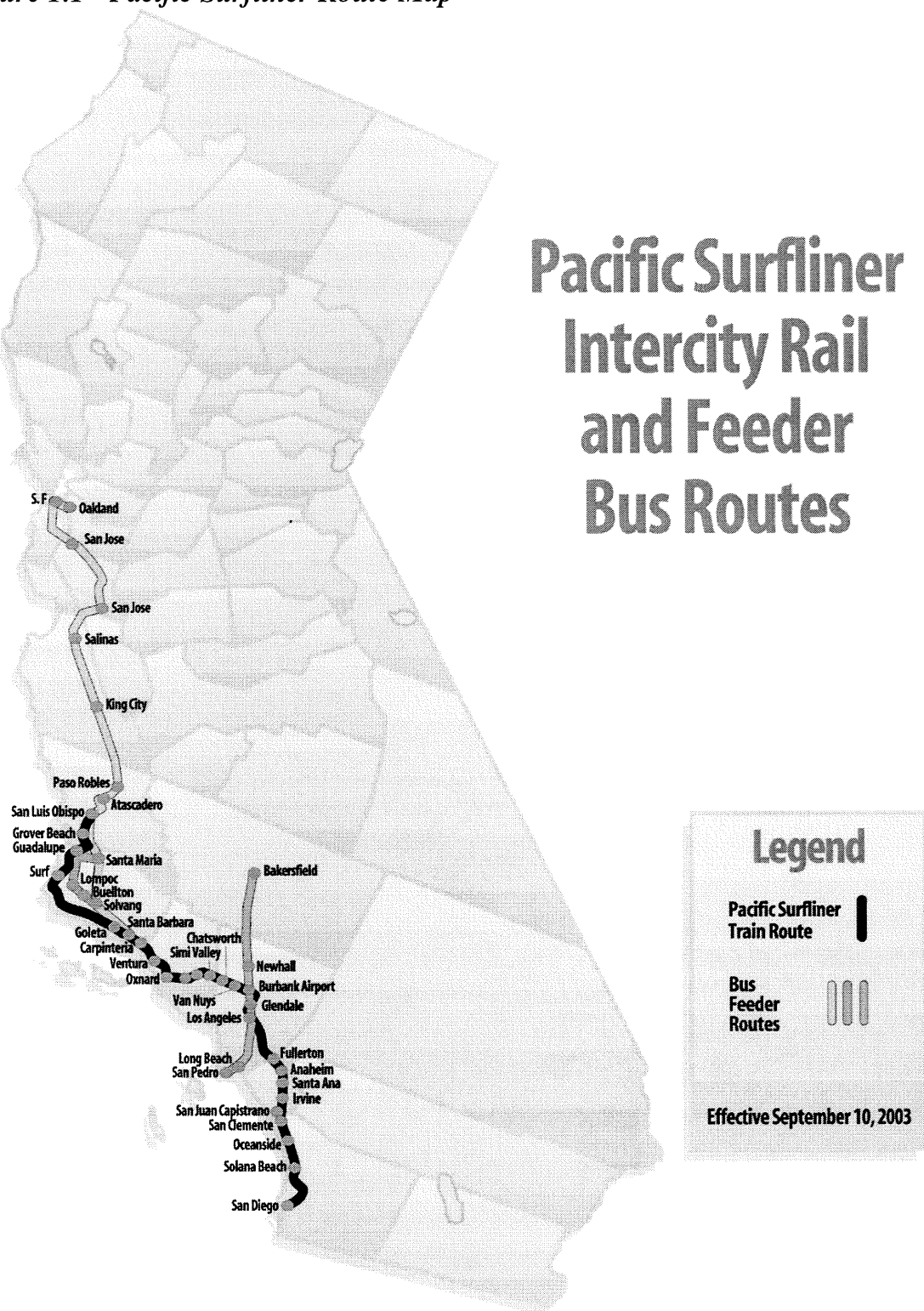
Operating Elements

- Second daily round-trip from Los Angeles to San Luis Obispo is proposed to start in 2004-05. Public relations and advertising will promote the new train.
- Continue marketing and advertising based on seasonal themes.
- Continue to expand the successful Rail 2 Rail Program.
- In 2004, market Amtrak/Metrolink through ticketing option, once new ticket vending machines are operational.
- Expand the Rail 2 Rail Program to the Coaster Service in spring 2004.
- Expand partnerships with other organizations for joint advertising and promotions. Continue the joint Department of Tourism "Rediscover California" TV marketing program.
- Continue evaluation of feeder bus services to assure continued cost-effective operation.

Capital Elements

- Start construction in 2004 on Los Angeles-Fullerton triple track project (Bandini – D.T. Junction segment).
- Start construction in 2004 on Lincoln Avenue double track project in Orange County.
- Continue work on several track, signal and bridge projects in San Diego County including: San Onofre track improvements, CP Flores-CP O'Neil double track, Encinitas siding, and Del Mar Bluffs stabilization.
- Complete environmental clearance and engineering on the Los Angeles Union Station run-through track project in 2004.
- Continue construction on the Camarillo station and Santa Ana station pedestrian bridge.
- Implement a new system of ticket vending machines at Metrolink and Amtrak stations by October 2004, allowing through ticketing between Amtrak and Metrolink.

Figure 1.1 - Pacific Surfliner Route Map



CHAPTER I

INTRODUCTION

BACKGROUND

This Pacific Surfliner Route Business Plan (Plan) is for FFY 2004-05 (October 2004 – September 2005). It was prepared by the Department of Transportation's (Department) Division of Rail (Division) in accordance with the Supplemental Report of the 2002 Budget Act that directs the Department to prepare a business plan for each intercity rail corridor it administers. Item 2660-001-0046 of the 2002 Supplemental Report, states:

Intercity Rail Business Plans. The Department of Transportation shall submit annually by April 1 to the Legislature and to the Secretary for Business, Transportation and Housing, a business plan for each intercity rail corridor which the department administers. For each such corridor, the business plans shall include performance standards that shall be updated annually and projected for three years into the future. The standards shall measure the usage (for example, ridership), cost efficiency (for example, fare box ratio) and quality (for example, on-time performance) for each such corridor. The business plans shall contain all of the business plan requirements set forth in Section 14070.4(b) of the Government Code. (Also, the regional boards administering intercity rail service should incorporate these performance standards into their annual business plans.)

The Plan is supplemented by the *California State Rail Plan 2003-04 to 2013-04*, which includes both a passenger and a freight element, and presents a longer-range ten-year plan for State-supported rail passenger services in California. The State Rail Plan provides both long-range capital and operating plans for the route.

To supplement the Plan, an **Appendix** provides a geographical listing and description of the rail stations on the San Joaquin Route.

OUTLOOK

Ridership growth in FFY 2002-03 was unprecedented. Ridership was up 16 percent over 2001-02, climbing from 1,725,234 to 2,179,427. This extraordinary ridership increase was primarily the result of the Rail 2 Rail Program that allows Amtrak ticket holders and Metrolink monthly ticket holders access to both Amtrak and Metrolink trains within the geographical limits of their tickets. Ridership in 2002-03 was the highest ever for the Route and the Pacific Surfliner Route remains the busiest route in the Amtrak system outside of the Northeast Corridor. Financial indicators were also solid. Farebox return was 52.2 percent, only 0.2 percent below the 2001-02 farebox return of 52.4 percent.

The Department projects a 5.9 percent increase in ridership and an increase in farebox return to 53.8 percent in 2003-04. Caltrans is working with Amtrak to start in 2004-05, within the existing budget, a second daily round-trip from Los Angeles to San Luis Obispo. Ridership in 2004-05 is projected to increase 7.9 percent, revenue is projected to increase 14 percent, and farebox return is projected to increase to 57.3 percent.

On the capital side the Route is also on stable ground in the short run. The significant projected decrease in transportation capital funds in the current and plan years will not have a detrimental effect on capital work on the Route in these years because the Department was able to complete important capital projects before the funding crisis hit. These projects included: significant track and signal improvements north of Los Angeles in Ventura and Santa Barbara Counties that increased speeds and reliability and improved on-time performance; a new Los Angeles railcar service and inspection and locomotive maintenance facility in Los Angeles, an entirely new fleet of Pacific Surfliner cars and locomotives, and some track and signal projects on the south end of the Route that improved reliability.

The Department has adequate funds to be able to complete work on a number of important capital projects, including: portions of the L.A.-Fullerton triple track project; a number of track and signal projects in Orange and San Diego Counties; the Camarillo station and Santa Ana Station pedestrian bridge; and ticket vending machines for Metrolink and Amtrak stations. However, in the long term additional funding will have to be identified for key projects where design and environmental work has started, but full construction funding has not been identified, including the Los Angeles Union Station run-through tracks, portions of the L.A. Fullerton triple track project, and the National City Layover facility. (Traffic Congestion Relief funds had been anticipated for these projects – for more detail on this program see **Chapter IV –Capital Plan – Background.**)

HISTORICAL PERSPECTIVE

By 1905, the area served by the Pacific Surfliner Route was the domain of three major railroads: Southern Pacific (SP), Union Pacific (UP), and Santa Fe (ATSF). Their primary operations were transcontinental track lines, connecting California to other states.

Amtrak was created in 1971 to revitalize passenger rail service. At that time it maintained about the same level of service that had been provided previously by the railroads. On the corridor that would become the Pacific Surfliner route (renamed in 2000 from the San Diegan Route), service between Los Angeles and San Diego, on tracks owned by ATSF, functioned primarily as a connection to long-haul trains, as opposed to a local transportation network for passengers

traveling within the corridor. By the end of 1971, service on the route was three daily round trips.

The segment north of Los Angeles to Santa Barbara and San Luis Obispo, on the SP, was served by a daily train between Oakland and Los Angeles, and three times per week, that train ran between Seattle and Oakland and was named the Coast Starlight.

Department participation in the corridor began August 31, 1976, with institution of a fourth round-trip on the route. Ridership grew rapidly; a fifth train frequency was added in May 1977, and a sixth in February 1978. By December 1979, annual ridership had reached 1.2 million passengers.

Ridership growth slowed for several years in the early 1980s, but began climbing again, propelled by creation of a feeder bus network serving Ventura and Santa Barbara Counties. Ridership continued to grow, and in 1988 one train was extended north to Santa Barbara and ridership topped 1.7 million passengers.

On June 5, 1990, the California voters passed Propositions 108, 111, and 116. These propositions provided nearly \$3 billion for rail capital projects over a ten-year period. Major accomplishments for the Pacific Surfliner route from these propositions were: construction of new California Cars and locomotives; purchase of ATSF's line from Fullerton to San Diego; purchase a portion of SP's line between Moorpark and Glendale; station construction and rehabilitation; and track and signal system improvements.

Between 1988 and the present, service was increased on both the northern and southern ends of the Route. Today there are four daily round-trips to Santa Barbara/Goleta, and one of those trains extends to San Luis Obispo. A fifth round-trip to Santa Barbara/Goleta operates on the weekends. There are 11 daily round-trips between San Diego and Los Angeles, with a 12th round-trip operating Friday through Sunday. Today the route has the highest ridership of any Amtrak route outside of the Northeast Corridor.

While the original Pacific Surfliner Route had only eight stations, today there are 26. In addition, the historical stations at Los Angeles, Fullerton, San Juan Capistrano, and San Diego have been restored and improved. Inadequate stations at Oxnard and Santa Ana were replaced with multimodal terminals featuring a variety of services. The historical Santa Barbara and Glendale stations have also been rehabilitated and improved.

Since 1974, the Department and other agencies have committed almost \$1.1 billion to station, track and signal projects on the Pacific Surfliner Route, including completed, underway and programmed projects.

Figure 1.2 - State-Supported Intercity Rail and Feeder Bus Route Map

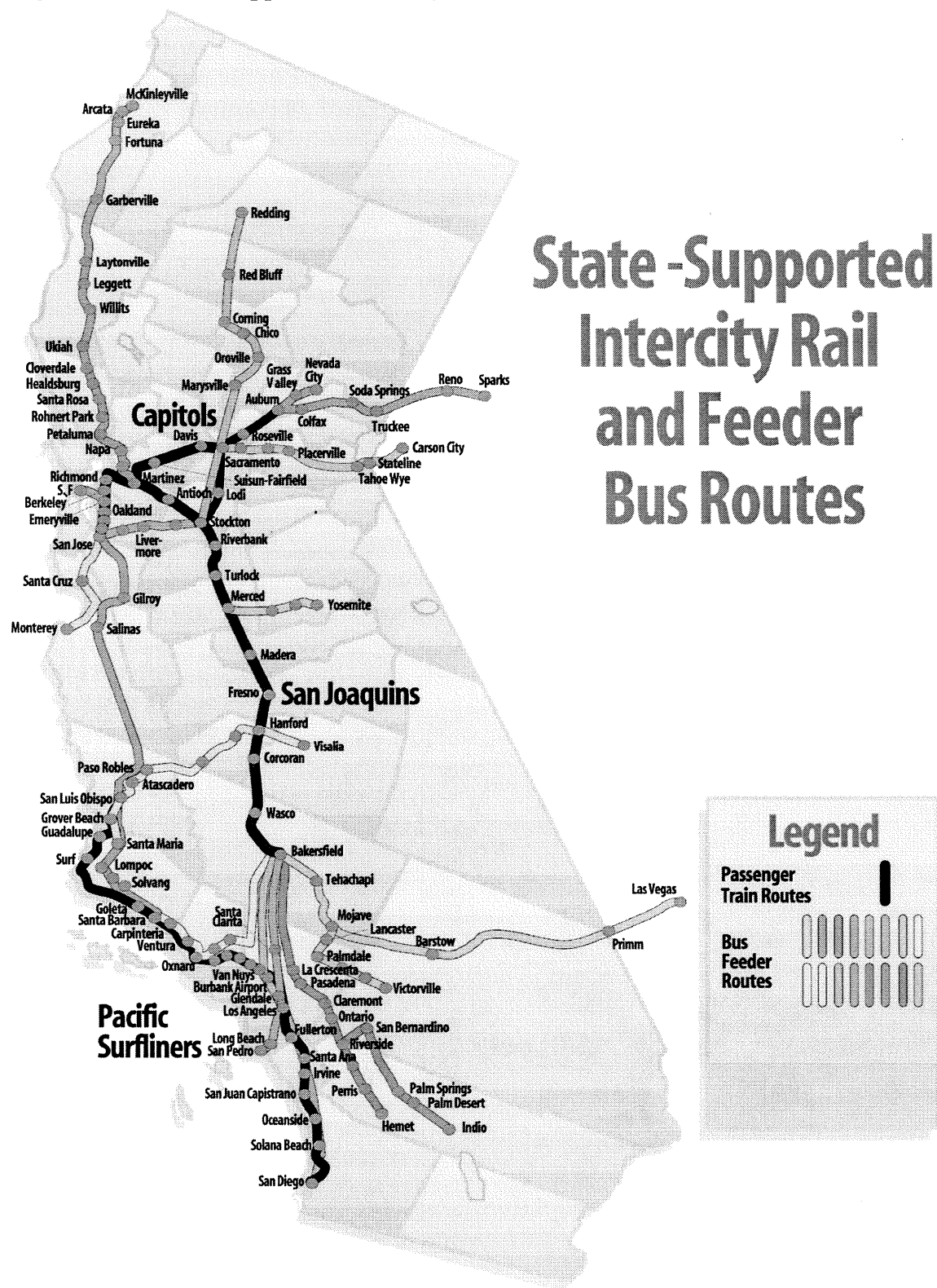


Figure 1.1 is a map of the Pacific Surfliner Route and **Figure 1.2** is a map of all California State-supported intercity rail and feed bus routes. **Figure 1.3** shows the current Pacific Surfliner train schedule.

ROUTE DESCRIPTION

The Pacific Surfliner Route presently extends 351 rail miles between San Luis Obispo and San Diego (222 miles north of Los Angeles and 129 miles south of Los Angeles). UP acquired the SP in 1996, and owns the 175 miles between San Luis Obispo and Moorpark. To facilitate the implementation of commuter rail service, regional and local agencies in Ventura, Los Angeles, Orange, and San Diego counties purchased (from SP and ATSF railroads) most segments of the rail line between Moorpark and San Diego. However, the Burlington Northern Santa Fe (BNSF), successor company to ATSF, still owns 22 miles between Redondo Junction in Los Angeles and Fullerton.

Scheduled running time between Los Angeles and San Diego averages two hours 46 minutes. Overall average speed, including station dwell time, averages 47 mph. This segment includes more than 70 miles where the maximum track speed is 90 mph, the only location on the State-supported routes where trains operate above 79 mph. Scheduled train running time between Los Angeles and Santa Barbara averages two hours 40 minutes, with an overall average speed varies of 36 mph. Scheduled running time between Santa Barbara and San Luis Obispo averages two hours 47 minutes, with an overall average speed varies of 44 mph.

SOUTHERN CALIFORNIA RAIL NETWORK

Metrolink commuter rail service debuted in Southern California in 1992 under a joint powers agreement creating the Southern California Regional Rail Authority (SCRRA). Commuter service has expanded to seven routes, including service between Ventura, Los Angeles, Orange, Riverside, San Bernardino, and San Diego Counties. Metrolink currently is centered on morning and evening weekday peak trains, supplemented by special trains such as Beach Trains, and limited Saturday and Sunday service on certain routes. All Pacific Surfliner trackage within Los Angeles and Orange Counties is shared with Metrolink trains.

Coaster commuter rail service started in 1995 in San Diego County under the authority of the San Diego North County Transit District (NCTD). The Coaster currently provides 11 weekday round-trips. These trains serve the Amtrak stations of Oceanside, Solana Beach, and San Diego, plus additional stops at Old Town, Sorrento Valley, Encinitas, Carlsbad/Poinsettia, and Carlsbad Village. Coaster service also includes four Saturday round-trips but does not operate on Sundays.

Coordination of rail services offered by Metrolink, Coaster, and Amtrak is critical. Current capital projects will reduce barriers and facilitate transfers between rail carriers. Two examples are ticket vending machines and a train arrival information system. When implemented, these projects will enable passengers to purchase through tickets for Amtrak and Metrolink trains from one machine and will greatly enhance information on all operators' train schedules.

In September 2002, the Department, Metrolink, and Amtrak introduced Phase 1 of the Rail 2 Rail Program, in which Amtrak ticket holders and Metrolink monthly ticket holders have access to both Amtrak and Metrolink trains within the geographical limits of their tickets. Also, all Amtrak and Metrolink fares have been equalized between Burbank Airport and Los Angeles Union Station. The program has been extraordinarily successful. Today over 20,000 Metrolink monthly ticket holders a month take advantage of the Program to ride Amtrak trains. Pacific Surfliner ridership jumped 16 percent between 2001-02 and 2002-03, mostly due to this Program. This is a phenomenal ridership increase for a long-established service, with no increases in train frequencies.

ADMINISTRATIVE STRUCTURE

Since the beginning of State support in 1976, the State and Amtrak have shared the operating cost of the Pacific Surfliner service. The Department has been responsible for oversight of the service through the State's operating contract with Amtrak. Functions such as capital improvements, marketing, scheduling, and on-board services are coordinated with Amtrak. State funding has assisted with a major portion of the costs to operate and make capital improvements to the corridor.

The cost and administrative structure of the Pacific Surfliner is complex because Amtrak has always considered a portion of the service "basic system" service. This means that the service is part of Amtrak's national system and operating costs are entirely Federally funded. To account for the basic system trains, prior to October 1995, certain trains were considered basic system and others were State-supported. Since that time, the State-supported portion of service has been determined on a percentage basis, presently 67 percent. This percentage was originally determined by calculating the percent of train miles for basic system and State-supported trains prior to October 1995. Then that percentage was adjusted to reflect full State support of the San Luis Obispo extension, and a new Los Angeles-San Diego train.

LOS ANGELES – SAN DIEGO RAIL CORRIDOR AGENCY (LOSSAN)

LOSSAN, formed in 1989, has over the years, acted in a variety of capacities. Currently, it acts as a planning and an advisory group for intercity rail in Southern

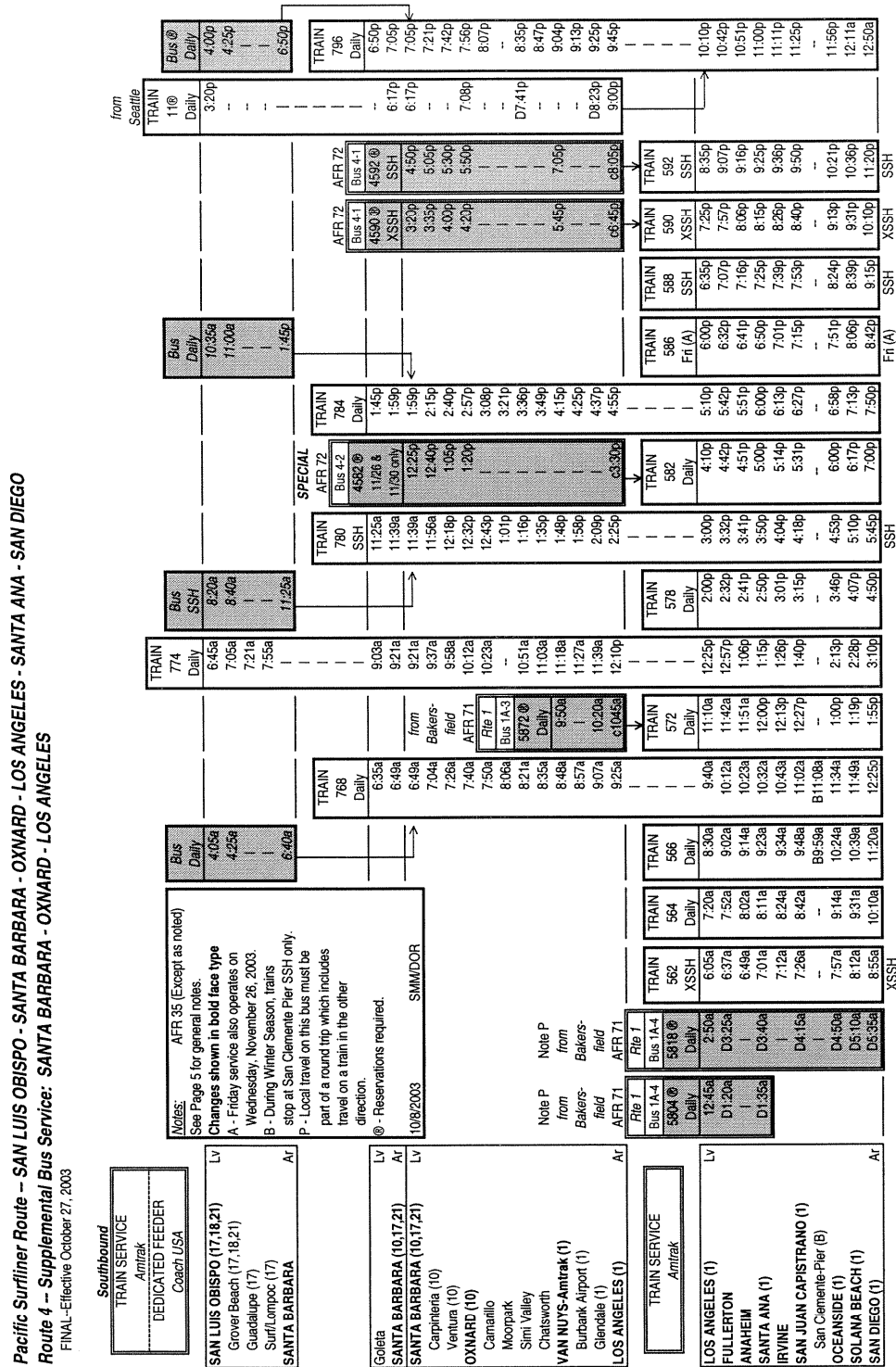
California. Following actions taken at its June 2001 meeting, LOSSAN added the San Luis Obispo Council of Governments as a voting member of its Board and transferred the Ventura County Transportation Commission, the Santa Barbara County Association of Governments, and the San Diego Association of Governments from ex-officio members to voting members.

The members of the LOSSAN Technical Advisory Committee (TAC) are: Burlington Northern Santa Fe Railway Company, Caltrans Division of Rail, California Public Utilities Commission, Los Angeles County Metropolitan Transportation Authority, National Railroad Passenger Corporation (Amtrak), North San Diego County Transit District, Orange County Transportation Authority, San Diego Association of Governments, San Diego Metropolitan Transit Development Board, San Luis Obispo Council of Governments, Santa Barbara County Association of Governments, Southern California Association of Governments, Southern California Regional Rail Authority (Metrolink), Ventura County Transportation Commission, and the Union Pacific Railroad Company.

FINAL--Effective October 27, 2003

Notes:
See Page 5 for general notes.
Changes shown in bold face type.
B - During Winter Season, trains stop at San Clemente Pier Sat, Sun & Hol only.
F - Friday service also operates on Wednesday, November 26, 2003.

Figure 1.3b - Pacific Surfliner Schedule - Southbound



CHAPTER II

PERFORMANCE MEASURES AND OPERATING PERFORMANCE

PERFORMANCE MEASURES

Background

Item 2660-001-0046 of the Supplemental Report of the 2002 Budget Act, in addition to requiring the Department to produce annual business plans, requires the plans to include presentation and analysis of performance measures:

For each such corridor, the business plans shall include performance standards which shall be updated annually and projected for three years into the future. The standards shall measure the usage (for example, ridership), cost efficiency (for example, fare box ratio) and quality (for example, on-time performance) for each such corridor.

The Pacific Surfliner Route performance standards are included here as **Figure 2.1**. The standards are categorized by usage, cost efficiency, and service quality.

- **Usage** is measured by ridership, the percent change in train passenger miles and train miles, and passenger miles per train mile.
- **Cost Efficiency** is measured by farebox ratio (operating revenues divided by operating costs), the percent change in total revenues and expenses, train revenue per train mile and train revenue per passenger mile (yield), train expenses per train mile, and train-only State costs per train mile and per passenger mile.
- **Service Quality** is measured by on-time performance and percent of available State-owned California equipment in service.

Figure 2.2 shows ridership and financial performance data on an annual (State FY) basis from the start of State-supported service in 1976-77 through 2002-03. (Note that **Figure 2.1** is on the basis of a FFY, so the annual data on **Figures 2.1** and **2.2** is not the same.) **Figure 2.3** provides three graphs that show the route's historical ridership and financial trends. These two figures provide information on the historical basis for the performance measures discussed in this chapter.

Historical Performance

As can be seen from **Figure 2.2**, the Pacific Surfliners enjoyed strong ridership growth and impressive farebox return from the mid-1980s through the mid-1990s. Farebox peaked in 1988-89 at 108.5 percent and ridership reached 1.8 million in 1992-93.

The decline in ridership after 1992-93 was primarily the result of the introduction of Metrolink commuter rail service in the Los Angeles basin in October 1992 and Coaster commuter rail service in the San Diego area in 1995. Commuter rail service siphoned significant short-distance ridership from intercity rail service, even though total (commuter and intercity) rail ridership on the corridor increased dramatically. Additionally, in the years after commuter rail service was introduced, intercity rail ridership continued to decline even as additional service was added. The passenger-miles per train mile (PM/TM), a measure of the average number of passengers on a train over its entire route, declined steadily in the 1990s.

In addition to being hurt by declining ridership, intercity rail financial performance was also negatively impacted by Amtrak's steady increase, starting in the early-1990s, in the type of costs (cost basis) and percent of operating loss that was charged to the State. Starting in 1990, with the introduction of the second Los Angeles-Santa Barbara train, Amtrak changed the cost basis for all new services, and started increasing the percentage of operating loss charged for existing services. Costs on new trains went from a short-term avoidable cost basis, to a long-term avoidable cost basis. Then in October 1996, the cost basis changed again to a full cost basis for all trains, with the result being that billed expenses increased dramatically. Between 1995-96 and 1996-97, billed expense increased by 65 percent even though service levels did not increase. (For further details, see Notes F2 and F3 in **Figure 2.2**.)

The farebox ratio – the ratio of revenue to expense, shows the effect the increased cost basis had on the Route's financial performance. Farebox ratio was near or over 100 percent for six consecutive years from 1987-88 through 1992-93. The farebox ratio declined to a low of 33.9 percent in 1997-98, but by 2002-03 climbed back to 52.6 percent. However, it is important to note that a comparison of farebox return over this period is very misleading because almost every year the cost basis was increased on some trains.

Future Performance

Both ridership and financial trends have been very positive beginning in 2000, and the trend is projected to continue during the period under study (through 2007-08). Total ridership reached a peak of 2.2 million in FFY 2002-03. Ridership had not been above 1.8 million since 1992-93. The strong increase in ridership in 2002-03 is primarily the result of the successful Rail 2 Rail Program,

which was instituted in September 2002. The program allows cross-use of Metrolink and Amtrak trains by Metrolink monthly pass holders and Amtrak riders. Additionally, demand has now caught up to the steady increase in service in the 1990s. This is illustrated by PM/TM, which has increased steadily in the last three years. The ridership outlook through 2007-08 is very positive, with a steady increase projected up to 2.6 million.

Beginning in FFY 2002-03 State operating costs have stabilized and the financial outlook for operations through the period under discussion (though 2007-08) is very positive. Combined State operating costs for the San Joaquins and Pacific Surfliners are projected to remain steady for five years, from 2002-03 through 2006-07. State operating costs have never been constant for such a long period of time in the history of State-supported service. This situation is primarily the result of the change in cost basis in 2003-04, when Amtrak began charging the states on the basis of full recovery of direct costs. Under this cost basis, the State pays all direct costs, with Amtrak covering all fixed costs. Additionally, a steady ridership increase (not connected to service increase) will produce increasing revenues, with only minor increases in expense. The result is projected to be an increase in the farebox ratio, from 53.8 percent in 2003-04, up to 60.8 percent in 2007-08.

Basis for Performance Standards

The 2002-03 and 2003-04 standards are consistent with the Amtrak operating contract for those years. The 2004-05 standards are consistent with the Governor's Proposed Budget, with State costs (for the Pacific Surfliners and San Joaquins combined) remaining at the same level as in 2002-03 and 2003-04. The 2005-06 through 2007-08 standards are based on projections developed in conjunction with Amtrak for the *California State Rail Plan 2003-04 – 2013-14*. Ridership projections are based on the results of the Rail Ridership/Revenue Forecasting Model used by the Department and Amtrak.

The Department is working with Amtrak to start in 2004-05, within the existing budget, a second Pacific Surfliner daily round-trip from Los Angeles to San Luis Obispo. UP has agreed to the operation of this additional train. The twelfth Los Angeles – San Diego roundtrip is projected to start in 2007-08.

The section in **Figure 2.1** titled "Operating Results" includes the base data from which the performance standards were derived (revenues, expenses, State costs, etc.). This section facilitates the comparison of the standards to the actual data. The funds for Amtrak service in the State budget are used for an annual operating contract period that coincides with the FFY. Thus, all data is shown on the basis of the October – September FFY, instead of the July – June State FY.

All financial data for the Pacific Surfliner is based on only the State-supported portion of the route, which is 67 percent (although the entire ridership is also displayed). See **Chapter I** of this report - Introduction – Administrative

Structure, for an explanation of the Amtrak share and the State-supported share of the route.

Comparison of FFY 2002-03 Performance Standards and FFY 2002-03 Actual Results

In 2002-03, actual ridership of 2,179,427 was above the standard of 1,898,900 by 280,527, or 14.8 percent. Additionally, 2002-03 ridership is the highest ever for the Route, and 27 percent above 2001-02 ridership. The extraordinary ridership increase (with no increase in train frequencies) is primarily the result of the Rail 2 Rail Program, which allows through ticketing between Metrolink and Amtrak. Cost efficiency, measured by the farebox return, was 4.8 percent below the standard. The standard was 57.1 percent, while actual was 52.2 percent, compared to 52.4 percent in 2001-02. OTP at 87 percent was well above the standard of 75 percent. In summary, the Pacific Surfliners had a break-through year in 2002-03 with the unprecedented ridership increase and stable financial performance.

FFY 2003-04 Performance Standards

The 2003-04 performance standards are consistent with the Amtrak contract for this year and assume the current level of service. The ridership standard is a 5.9 percent increase, revenue a 5.6 percent increase and expense a 2.4 percent increase from actual results in the prior year. Farebox is projected to increase to 53.8 percent. Ridership and revenue increases are expected to be partly the result of the new Rail 2 Rail Program as well as general growth on the Route.

FFY 2004-05 Performance Standards

The Performance Standards for this year are consistent with the proposed Governor's Budget. The standards assume a full year of service of the second Los Angeles – San Luis Obispo roundtrip, and the same total State/Amtrak contract amount for intercity rail services as in 2003-04. In 2004-05, the ridership standard is a 7.9 percent increase, revenue a 14.0 percent increase, and expense a 7.0 percent increase from the prior year standards. Farebox is projected to increase to 57.3 percent. The large ridership and revenue growth is mostly the result of the new San Luis Obispo train, which is a high revenue generating train because of its long trip length.

FFYs 2005-06 – 2007-08 Performance Standards

The Performance Standards for these three years are based on projections developed in conjunction with Amtrak for the *California State Rail Plan 2003-04 – 2013-14*, and assume a twelfth Los Angeles – San Diego train in 2007-08. The ridership standard for 2005-06 and 2006-07 is a 2.3 percent increase, revenue a 3.6 percent increase, and expense a 0.5 percent increase from the prior year standards. In 2007-08, the year the new Los Angeles – San Diego train is projected to start, the ridership standard is a 5.5 percent increase, revenue a

5.0 percent increase, and expense a 5.5 percent increase from the prior year standards. Farebox return is projected to increase to 60.8 percent by 2007-08.

Figure 2.1- Pacific Surfliner Route Performance Standards

PACIFIC SURFLINER ROUTE PERFORMANCE STANDARDS (State portion only except for Total Route Ridership)											
PERFORMANCE STANDARD	T&B #	FFY 2002-03			PERCENT CHANGE	CURRENT YEAR STANDARD Δ	FFY 2003-04	FFY 2004-05	FFY 2005-06	FFY 2006-07	FFY 2007-08
		ACTUAL	STANDARD •	VARIANCE ACTUAL TO STANDARD			PROJECTED STANDARD Δ	PROJECTED STANDARD Δ	PROJECTED STANDARD Δ	PROJECTED STANDARD Δ	
NUMBER OF DAILY ROUND TRIPS		11	11			11	11	11	11	11	12
USAGE											
Total Route Ridership	#	2,179,427	1,898,900	280,527	14.8%	2,308,728	2,491,100	2,548,400	2,607,000	2,750,400	
Average Daily Ridership	#	5,971	5,202	769	14.8%	6,325	6,825	6,982	7,142	7,515	
Route Ridership - State Portion	#	1,460,216	1,272,263	187,953	14.8%	1,546,848	1,385,643	1,450,243	1,502,043	1,502,043	
Percent Change in Route Ridership	#	--	10.1%	--	--	5.9%	7.9%	2.3%	2.3%	5.5%	
Percent Change in Route Ridership	#	--	3.8%	--	--	4.5%	10.1%	2.3%	2.3%	5.5%	
Percent Change in Train Passenger Miles		--	-0.7%	--	--	-1.5%	10.9%	0.0%	0.0%	5.7%	
Passenger Miles per Train Mile (PM/TM)		119.4	111.3	8.2	7.3%	126.7	125.8	128.7	131.6	131.4	
COST EFFICIENCY											
Farebox Ratio (Train and Bus Service)	#	52.2%	57.1%	-4.8%	--	53.8%	57.3%	59.2%	61.0%	60.8%	
Percent Change in Total Revenue	#	--	4.8%	--	--	5.6%	14.0%	3.6%	3.6%	5.0%	
Percent Change in Total Expenses	#	--	-0.7%	--	--	2.4%	7.0%	0.5%	0.5%	5.5%	
Train Revenue per Train Mile	\$	21.76	\$ 21.15	\$ 0.61	2.9%	\$ 23.28	\$ 24.06	\$ 24.94	\$ 25.85	\$ 25.71	
Train Revenue per Passenger Mile (Yield)	\$	0.18	\$ 0.19	\$ (0.01)	-4.2%	\$ 0.18	\$ 0.19	\$ 0.19	\$ 0.20	\$ 0.20	
Train Expenses per Train Mile	\$	42.41	\$ 37.27	\$ 5.14	13.8%	\$ 44.04	\$ 42.56	\$ 42.72	\$ 42.90	\$ 42.82	
Train Only State Cost per Train Mile	\$	20.65	\$ 16.12	\$ 4.53	28.1%	\$ 20.76	\$ 18.50	\$ 17.78	\$ 17.04	\$ 17.11	
Train Only State Cost Per Passenger Mile	\$	0.17	\$ 0.14	\$ 0.03	19.3%	\$ 0.16	\$ 0.15	\$ 0.14	\$ 0.13	\$ 0.13	
SERVICE QUALITY											
On Time Performance		87%	75%	12%	--	81%	83%	84%	84%	84%	
Percent of California Equipment Available		91%	90%	1%	--	90%	90%	90%	90%	90%	
OPERATING RESULTS (State Portion Only)											
TRAIN AND BUS											
Total Revenue	#	\$ 23,022,769	\$ 21,735,600	\$ 1,287,169	5.9%	\$ 24,317,900	\$ 27,717,500	\$ 28,728,600	\$ 29,769,700	\$ 31,269,900	
Total Expenses **	#	\$ 44,082,332	\$ 38,094,700	\$ 5,987,632	15.7%	\$ 45,159,900	\$ 48,341,900	\$ 48,568,300	\$ 48,804,000	\$ 51,465,500	
Total State Operating Cost *	#	\$ 21,059,563	\$ 20,949,400	\$ 110,163	0.5%	\$ 21,167,000	\$ 20,949,400	\$ 20,164,700	\$ 19,359,300	\$ 20,520,600	
TRAIN ONLY											
Train Only Revenue		\$ 21,976,715	\$ 21,045,600	\$ 931,115	4.4%	\$ 23,161,200	\$ 26,549,300	\$ 27,525,400	\$ 28,530,400	\$ 29,993,400	
Train Only Expenses **		\$ 42,825,373	\$ 37,079,700	\$ 5,745,673	15.5%	\$ 43,814,900	\$ 46,960,700	\$ 47,145,700	\$ 47,338,700	\$ 49,956,200	
Train Only State Operating Cost		\$ 20,848,658	\$ 16,034,100	\$ 4,814,558	30.0%	\$ 20,653,700	\$ 20,411,400	\$ 19,620,300	\$ 18,808,300	\$ 19,962,800	
Passenger Miles		120,599,928	110,689,000	9,910,928	9.0%	126,059,000	138,791,000	141,983,000	145,249,000	153,237,000	
Train Miles		1,009,848	994,950	14,898	1.5%	994,950	1,103,490	1,103,490	1,103,490	1,166,584	

- T&B includes train and bus results. All other elements are train only.

* - Includes payments to Amtrak for minor capital projects not included in any other line item.

** - Total expenses equals all train (and bus) expenses net of Amtrak's portion of costs.

 Δ - Percent changes refer to the difference between the FFY 2003-04 Standard and the FFY 2002-03 Actual.

• - FFY 2002-03 standard based on 2002-03 Amtrak contract.

◊ - FFY 2004-05 based on proposed Governor's Budget.

\$ - FFY 2005-06 -- 2007-08 projected standard based on Amtrak projections.

NOTE 1 - Performance measures not calculated where no standard was developed.

NOTE 2 - Percents of change not shown when measure itself is a percent.

Figure 2.2 - Pacific Surfliner Annual Operating Performance

PACIFIC SURFLINER Route											
Annual Operating Performance - State Fiscal Years											
State Fiscal Year	Notes	Ridership Data			Financial Data for Operations - State Supported Train and Bus Service Only*						
		All Trains		State Supported*	Revenue	Expense	Loss	State Cost	Amtrak Cost	Train Loss per PM	Farebox Ratio
		Ridership	PM/TM	Ridership							
			(F1)			(F2)		(F3)	(F4)	(F5)	(F6)
1973-74	(S1)	381,844									
1974-75		356,630									
1975-76		376,900									
1976-77	(S2)	607,976	146	101,572	\$ 598,140	\$ 1,662,714	\$ 1,064,574	\$ 548,534			36.0%
1977-78	(S3)	753,246	128	258,800	\$ 1,446,036	\$ 3,768,065	\$ 2,322,029	\$ 1,325,087			38.4%
1978-79		967,316	163	415,865	\$ 2,203,403	\$ 4,333,602	\$ 2,130,199	\$ 1,178,667			50.8%
1979-80		1,218,196	177	557,113	\$ 3,341,561	\$ 5,536,840	\$ 2,195,279	\$ 1,064,713			60.4%
1980-81	(S4)	1,238,135	152	555,418	\$ 4,032,480	\$ 6,572,539	\$ 2,540,059	\$ 1,233,490			61.4%
1981-82		1,167,718	144	533,093	\$ 4,097,254	\$ 6,607,395	\$ 2,510,141	\$ 1,217,418		6.3¢	62.0%
1982-83		1,131,146	138	488,606	\$ 4,094,750	\$ 6,928,334	\$ 2,833,584	\$ 1,374,097		8.3¢	59.1%
1983-84		1,221,256	143	524,857	\$ 4,842,400	\$ 6,337,083	\$ 1,494,683	\$ 1,452,450		4.1¢	76.4%
1984-85		1,240,003	152	568,902	\$ 5,410,502	\$ 6,411,308	\$ 1,000,806	\$ 1,212,261		2.5¢	84.4%
1985-86		1,394,320	167	597,025	\$ 5,658,915	\$ 6,424,634	\$ 765,719	\$ 1,097,966		1.8¢	88.1%
1986-87		1,461,003	173	624,618	\$ 6,072,523	\$ 6,510,113	\$ 437,590	\$ 955,509		1.0¢	93.3%
1987-88	(S5)	1,661,512	174	749,996	\$ 8,223,462	\$ 7,859,783	\$ (363,679)	\$ 1,145,330		(0.7¢)	104.6%
1988-89		1,717,539	164	865,003	\$ 11,458,084	\$ 10,563,459	\$ (894,625)	\$ 794,159		(1.2¢)	108.5%
1989-90		1,746,673	174	882,167	\$ 12,189,942	\$ 11,808,251	\$ (381,691)	\$ 988,847		(1.4¢)	103.2%
1990-91	(S6)	1,791,781	159	946,988	\$ 13,306,307	\$ 13,364,150	\$ 57,843	\$ 1,170,448		(0.7¢)	99.6%
1991-92		1,673,107	161	884,224	\$ 13,152,063	\$ 13,245,924	\$ 93,861	\$ 1,012,564		(0.5¢)	99.3%
1992-93	(S7)	1,810,572	155	951,987	\$ 13,692,612	\$ 13,254,709	\$ (437,903)	\$ 958,857		(0.8¢)	103.3%
1993-94	(S8)	1,699,882	133	876,766	\$ 12,725,094	\$ 14,017,591	\$ 1,292,497	\$ 1,525,074		\$ 727,987	0.9¢
1994-95	(S9)	1,464,577	119	790,781	\$ 11,805,859	\$ 16,061,849	\$ 4,255,990	\$ 3,642,588	\$ 1,700,424	5.0¢	73.5%
1995-96	(S10)	1,480,674	125	912,905	\$ 13,553,553	\$ 23,983,026	\$ 10,429,473	\$ 11,107,071	\$ 863,230	11.4¢	56.5%
1996-97		1,617,641	135	1,035,290	\$ 14,804,355	\$ 39,563,546	\$ 24,759,191	\$ 16,189,103	\$ 10,020,544	24.5¢	37.4%
1997-98	(S11)	1,624,693	120	1,069,547	\$ 15,194,498	\$ 44,769,723	\$ 29,575,225	\$ 20,369,417	\$ 10,600,767	29.1¢	33.9%
1998-99	(S12)	1,563,275	102	1,047,394	\$ 16,401,625	\$ 40,391,845	\$ 23,990,220	\$ 22,078,192	\$ 4,014,071	25.3¢	40.6%
1999-00		1,567,318	99	1,050,103	\$ 17,883,725	\$ 37,497,489	\$ 19,613,764	\$ 20,806,672	\$ 1,381,986	19.8¢	47.7%
2000-01	(S13)	1,661,704	106	1,113,342	\$ 20,430,153	\$ 38,215,732	\$ 17,785,579	\$ 21,911,398	\$ 335,197	16.6¢	53.5%
2001-02	(S14)	1,742,768	109	1,167,655	\$ 20,922,453	\$ 39,374,190	\$ 18,451,737	\$ 21,976,183	\$ 502,080	16.6¢	53.1%
2002-03		2,030,491	114	1,360,429	\$ 22,247,564	\$ 42,331,531	\$ 20,083,967	\$ 23,901,407	\$ 472,848	16.7¢	52.6%
TOTAL		40,369,896		20,930,446	\$ 279,789,313	\$ 467,395,425	\$ 187,606,112	\$ 182,237,502			

* Through September 1995, the State supported specific trains; Amtrak operated the remaining trains as basic system trains not receiving State funding. Between October 1995 and October 1997, the State supported 64 percent of the operation of all trains on the Pacific Surfliner Route; Amtrak supports 36 percent as basic system trains. Effective November 1997, State support increased to 67%. State supports 100 percent of net cost of connecting buses; all data shown includes bus operations.

(S1) Three round trips between Los Angeles and San Diego (LA-SD) (not State-supported) through 8/30/76.

(S2) Fourth LA-SD round trip (first State-supported train) added 9/1/76; fifth LA-SD round trip (second State-supported train) added 4/24/77.

(S3) Sixth LA-SD round trip (third State-supported train) added 2/14/78.

(S4) Seventh LA-SD round trip (not State-supported) added 10/26/80.

(S5) Eighth LA-SD round trip (fourth State-supported train) added 10/25/87; first State-supported round trip between Los Angeles and Santa Barbara (LA-SB) added 6/26/88.

(S6) Second State-supported LA-SB round trip added 10/28/90.

(S7) Ninth LA-SD round trip (not State-supported) added 10/25/92.

(S8) Third State-supported LA-SB round trip added 2/1/94.

(S9) Ninth LA-SD round trip (State-supported in one direction only) discontinued 5/15/95.

(S10) Los Angeles-San Luis Obispo round trip added 10/29/95, also represents fourth LA-SB round trip.

(S11) Ninth LA-SD round trip restored and tenth LA-SD round trip added 10/26/97.

(S12) Eleventh LA-SD roundtrip added 10/25/98.

(S13) Twelfth LA-SD round trip on weekends only added on 5/21/01.

(S14) Fifth LA-SB round trip on weekends only added on 5/25/02.

(F1) Passenger-miles per train mile (PM/TM), a measure of the average load on a train over its entire route. Actual passenger-mile data was not provided by Amtrak prior to August 1981. PM/TM figures shown for All Trains are calculated by Amtrak and cover the Amtrak Fiscal Year (October through September).

(F2) Prior to October 1983, all trains billed on solely related cost basis. From October 1983 through September 1995, all Los Angeles- San Diego trains and the first Los Angeles-Santa Barbara train billed on short-term avoidable cost basis. The second and third Los Angeles- Santa Barbara trains billed on long-term avoidable cost basis. Between October 1995 and September 1996, all trains billed on long-term avoidable cost basis. Effective October 1996, all trains billed on Full Cost (Train, Route and System) Basis. Depreciation and interest (equipment capital cost) included in operating cost under solely-related basis but excluded and charged separately under short-term, long-term avoidable and full cost bases.

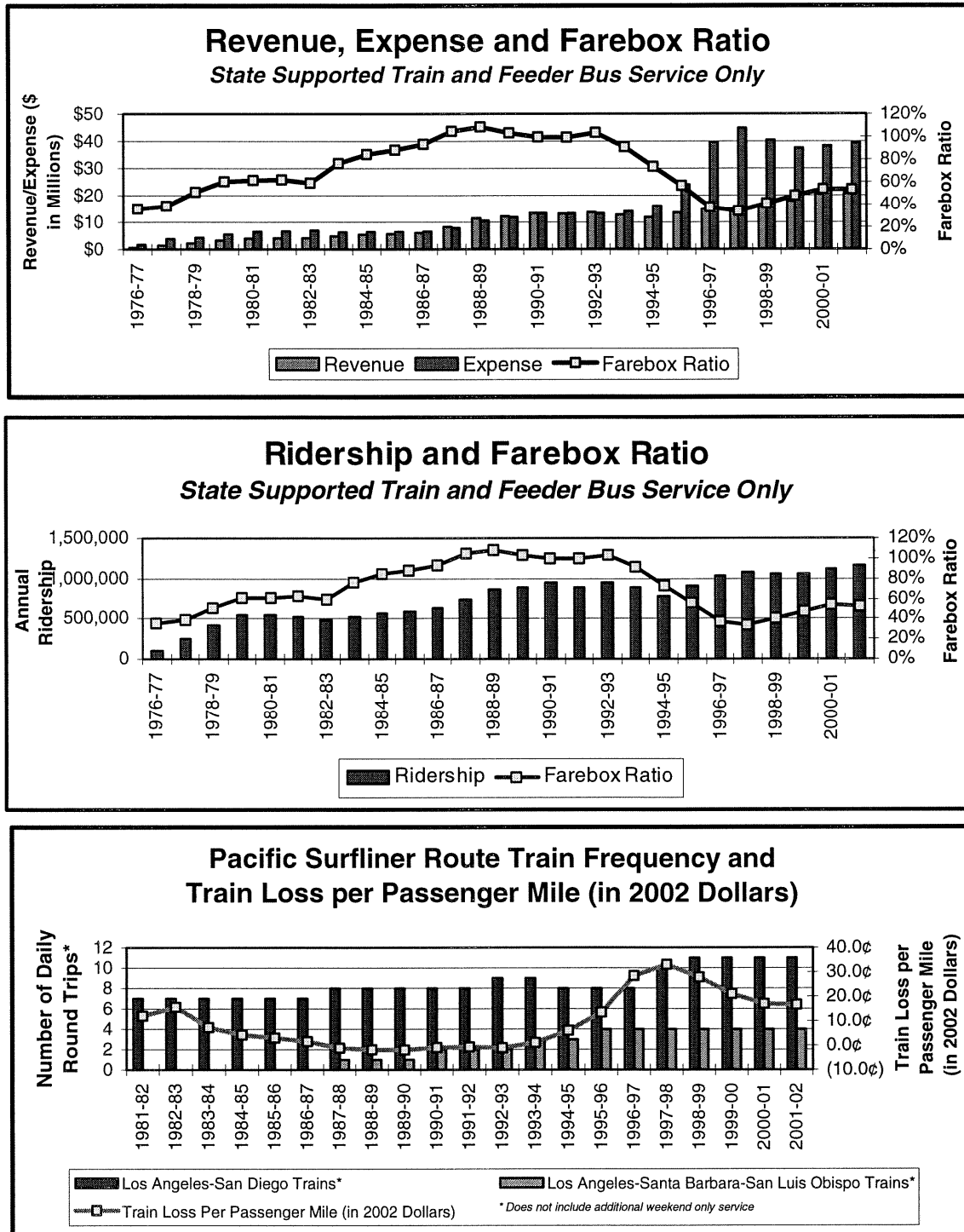
(F3) From October 1976 through September 1983, State cost was 48.5 percent of operating loss (including equipment costs). For third Los Angeles-Santa Barbara train, State cost was 100 percent of operating loss from February 1994 through September 1994, and 70 percent through September 1995. For all other trains, effective October 1983, through September 1995, State cost was 65 percent of operating loss plus 50 percent of depreciation and interest (equipment capital cost). Between October 1995 and September 1996, State cost was 100 percent of operating loss and 60 percent of equipment capital cost for the State supported 64 percent of train service on the route. Between October 1996 and September 1997, State cost was 55 percent of operating loss and 100 percent of equipment capital cost for the 64 percent State share. Effective October 1997, State is billed contractually specified percentages of most individual cost elements, plus a fixed amount for certain other cost elements. In November 1997, the State share increased to 67 percent of train service on the route to reflect additional State supported service. Also includes State payment of special payments to Amtrak for additional service and State payment for entire net cost of all connecting bus routes.

(F4) Beginning in State Fiscal Year 1993-94, Amtrak cost is based on billings submitted and reflects cost bases and Amtrak shares as stated in notes (F2) and (F3) above, but does not include the unbilled Amtrak share of fixed cost elements. Prior to FY 1993-94, data to calculate Amtrak cost is not available. Does not represent the difference between Loss and State Cost, as the latter includes bus expenses and equipment capital costs not included in Amtrak costs.

(F5) Train loss (deficit) per train passenger mile. Separate passenger-mile data for State-supported trains was not provided by Amtrak prior to August 1981. Connecting buses not included in loss per passenger mile data.

(F6) Farebox Ratio, the ratio of Revenue to Expense.

**Figure 2.3 – Pacific Surfliner Route Financial Trends –
SFY 1979-80 through 2001-02**



CHAPTER III OPERATING PLAN

SERVICE LEVELS

Current Service Level

The current level of service on the Pacific Surfliner Route is 11 daily round-trips between San Diego and Los Angeles, with four round-trips extending north to Santa Barbara, and one of these trips extending further north to San Luis Obispo. Several round-trips operate on different schedules on weekends than on weekdays. On May 21, 2001, a 12th Friday through Sunday round-trip was added between San Diego and Los Angeles. On May 25, 2002, a fifth train from Los Angeles to Santa Barbara/Goleta began on weekends. These two trains address peak weekend demand for intercity service. The three Santa Barbara round-trips have dedicated Amtrak Thruway bus connections to and from San Luis Obispo.

Planned New Service

The Department is working with Amtrak to start in 2004-05, within the existing budget, a second Pacific Surfliner daily round-trip from Los Angeles to San Luis Obispo. UP has agreed to run this additional train. Additionally, the twelfth Los Angeles – San Diego roundtrip is projected to start in 2007-08.

MARKETING

Marketing Funding

The Division's budget includes \$5 million in State FY 2003-04 for intercity rail marketing. The Governor's Proposed 2004-05 Budget also includes \$5 million for marketing. This amount, unchanged in nine years, is divided among the three intercity rail corridors – the Pacific Surfliners, San Joaquins, and Capitols. (The Capitol Corridor Joint Powers Authority [CCJPA] administers Capitol Corridor marketing funds.) In 2003-04, \$3.8 million in State funds is budgeted for marketing expenditures on the Pacific Surfliner and San Joaquin Corridors. Typically, media advertising receives just under \$3.0 million of these funds, and the remainder is divided between rail safety, passenger information, and market research. The remaining \$1.2 million in marketing funds goes to the Capital Corridor.

Amtrak supplements the Department's annual budget with an additional contribution for media advertising, which in 2002-03 was \$1.2 million. Amtrak contributed \$200,000 of this to the San Joaquins. (Amtrak plans similar expenditures in 2003-04 and 2004-05.) Thus, the total annual marketing budget

for the three corridors in 2003-04 is \$6.2 million. A similar amount is planned to be spent in 2004-05.

Advertising and Public Relations

The Department and Amtrak combine resources to create a single advertising program for California services. In 2003-04, the Department is in its second year of a two-year contract with Glass-McClure Advertising of Sacramento for \$4.7 million over two years. In 2004-05 the Department will renew the marketing contract using a competitive bid process.

The Department and Amtrak direct Glass-McClure in the development of the joint marketing program. Contract services include strategic planning, media planning, production and creative services, and media buys. The contract also includes public relations services, promotions and partnership development services. The Department also spends about \$600,000 annually in non-contract advertising activities, such as special advertising in bus markets.

The 2003-04 advertising plan used themes related to seasonal activity. A fall campaign was directed at the senior market and the general/families market using a combination of radio and print ads. The campaign introduced the "Travel Made Simple" concept and promoted everyday low fares in place of specific discounts. A special winter promotion in January and February touted a 30 percent fare reduction in the period immediately following a track rehabilitation project that shut down the route between Fresno and Bakersfield for two weeks in mid-January. A winter promotion in February and March 2004 returned to the highly successful "lowest everyday fares" theme using print, English and Spanish radio, and online advertising to reach seniors, general and Hispanic market segments. Spring and summer promotions will focus on family travel using English and Spanish radio, outdoor billboards, and online ads to reach the traveling audience. Outdoor advertising will continue into the summer with a "Kids Ride Half Price" message as part of a "Vacations Made Simple" advertising theme that encourages families to ride Amtrak California to favorite destinations

Specific advertising initiatives for 2004-05 have not yet been formulated, pending the award of another two-year advertising contract. However, the Department anticipates conducting a fall promotion in 2004 in the major Valley markets to target both the senior market and general markets, including families. Newspaper and radio works well for both markets. A winter promotion is planned for the period after mid-January, again targeting the senior market and the general/family markets. Media support would include radio, newspaper, traffic sponsorships, and Spanish language radio. Spring 2005 offers opportunities to speak to the general market and families, with a reminder that kids ride for half price. Outdoor advertising supports radio spots, traffic sponsorships, Spanish language radio, and on-line e-mail messaging.

The Department has also been pursuing partnerships in advertising. In 2002-03, the Department and the Department of Tourism entered into an advertising partnership to encourage the State's residents to "Rediscover California" aboard one of its trains. The Department of Tourism produced a multi-week T.V. travel series under the auspices of Sunset Magazine, and California Amtrak services were advertised in the production. The partnership provided heavily increased TV. advertising exposure, at about the same expenditure as each department previously contemplated. In 2003-04 the partnership again is resulting in greatly enhanced TV. advertising exposure this time including a major Spanish language component. In 2004-05, the Department may have the opportunity to launch a television campaign as part of the "Rediscover California" program during the spring and summer periods. This campaign would complement summer advertising targeted at families such as "Kids Ride Half Price," supported by radio and outdoor billboards in major Valley markets.

Partnerships of this kind make advertising dollars more productive than they might be otherwise. When different organizations have a common goal and message, their combined resources can be used more effectively to transmit the joint message. In addition to the tourism partnership, the Department is partnering with Metrolink on the highly successful Rail 2 Rail Program and will start a similar program with the Coaster service between Oceanside and San Diego in April 2004 (see below for more detail). The Department continues to explore additional opportunities for partnerships, including partnerships with cities, public agencies, private businesses and others. In the past the Department has had promotional partnerships with such venues as Disneyland Resort, Sea World, and Universal Studios for special events, and will explore similar opportunities with these and other businesses. Also, national Amtrak campaigns will be used to augment or complement the advertising efforts in California markets.

The public relations plan works in conjunction with the advertising plan to improve ridership and revenue by offering promotional programs and special events, such as press conferences, station grand opening events, and service inauguration celebrations. This program is far more personal and hands-on than the advertising program, but is designed to work in conjunction with and support advertising efforts. The public relations program includes media relations; production of brochures and informational materials including the quarterly newsletter, "Making Tracks"; and design and development of displays for use at fairs, special events, and exhibits.

Public relations plans for 2004-05 will include a celebration of a second round-trip train to San Luis Obispo. "Making Tracks," having received a new look in 2003, will continue to be printed at least three times each year and will be used to support offers in the market, highlight destinations, and promote special events accessible to train travelers.

Joint Marketing with Commuter Services

A separate commuter market has been created within the Pacific Surfliner corridor that includes Metrolink and Coaster services. While intercity and commuter rail passenger service are fundamentally different from one another, riders on both services greatly benefit from coordinated services. Thus, the Department, Metrolink and Amtrak have been developing service coordination and marketing opportunities. To this end, the Department, Metrolink, and Amtrak have standing committees to continue to look for ways of combining resources for mutual benefit.

As a result of this effort, on September 5, 2002, the three agencies introduced Phase 1 of the Rail 2 Rail Program, in which Amtrak ticket holders and Metrolink monthly ticket holders have access to both Amtrak and Metrolink trains within the geographical limits of their tickets. Also, all Amtrak and Metrolink fares have been equalized between Burbank Airport and Los Angeles Union Station.

This Program has been a breakthrough in the implementation of a truly “seamless” rail system in southern California. In the first month of honoring Metrolink monthly tickets, Metrolink ridership on Amtrak trains rose from an average of 2,000 to nearly 10,000. Today over 20,000 Metrolink monthly ticket holders a month take advantage of the Program to ride Amtrak trains. Pacific Surfliner ridership jumped 16 percent between 2001-02 and 2002-03, mostly due to the Rail 2 Rail Program. This is a phenomenal ridership increase for a long-established service, with no increases in train frequencies.

The next step in coordination between Amtrak and Metrolink will involve through ticketing between the two operators. For instance, a passenger will be able to purchase a through ticket at the Amtrak station in Santa Barbara for travel on the Pacific Surfliner to Los Angeles, and then on to San Bernardino on Metrolink. Conversely, passengers will be able to purchase tickets from the Metrolink ticket machine in Lancaster that will take them to Los Angeles on Metrolink, and then on to San Diego on Amtrak. Ticket vending machines have been installed at three stations (LA Union Station, San Bernardino, and Antelope) and are being field-tested. All machines are planned to be installed and operational by October 2004. At this time through ticketing will be possible at all stations with ticket vending machines. (All Amtrak stations in the Metrolink area are also Metrolink stations.)

The Department is also planning to expand the Rail 2 Rail Program to the Coaster service in April 2004. There are three joint Amtrak–Coaster stations on the Coaster Route between Oceanside and San Diego.

Once the Metrolink-Amtrak ticket vending machines are operating, the Department will pursue joint marketing of Amtrak’s sightseer program in Southern California with Metrolink. Metrolink customers living along routes east of Los Angeles can combine a Metrolink and Amtrak train for certain selected

trips. In this program advertising costs to promote access to Pacific Surfliner destinations such as Legoland and Sea World in Metrolink markets such as Riverside and San Bernardino, would be shared. If these trips are advertised and otherwise innovatively marketed, both systems could benefit.

Passenger Information

The Department produces informational materials designed to inform customers about routes, schedules, fares, connecting buses, and other Amtrak services. Passenger information devices include printed materials, signage, an Internet web site, and telephone information. These materials are updated twice annually or as needed.

Passenger Information displays at Amtrak stations have been redesigned to be more user friendly, including a new format for the schedules. All unstaffed stations along the route also have passenger information displays that provide a complete route schedule similar to the public timetable format. Work began in July 2003 on a Transit Connections Guide for the Surfliner Route featuring detailed information about transit operators and services available near Amtrak stations along the route from San Diego to San Luis Obispo. The guide, to be completed in spring 2004, will be distributed to stations, placed on trains and mailed to interested parties.

Rail Safety

The Division has a campaign to educate the public about the dangers of railroad tracks. The Department coordinates its rail safety activities with California Operation Lifesaver, the State affiliate of the national nonprofit organization whose major focus is encouraging safe behavior at railroad grade crossings, and discouraging, for safety reasons, trespassing on railroad property. The State organization is a coalition of railroads; federal, State, and local agencies; and private businesses and individuals concerned about promoting safety. The Department is a member of the California Operation Lifesaver Board of Directors. Each year, the Operation Lifesaver Campaign includes a combination of media advertising and public education events concentrated on certain geographically prioritized areas where accidents have happened.

Market Research

The Department contracts with Amtrak for market research services. With the Department's participation, Amtrak contracts with various market research firms to measure customer attitudes, desires and preferences in order to match customer services to customer needs. In 2003-04, this will include on-board surveys, special purpose research and various efforts to measure the effectiveness of advertising, and promotions efforts. Similar activities are planned for 2004-05.

RAIL OPERATIONS

Fares

Riders on the Pacific Surfliner Route have many different fares to choose from. Most riders use the one-way or round-trip ticket. The round-trip price is double the one-way ticket price. A peak level fare is used for the summer and holiday periods and a lower fare for the remainder of the year. Discounted multi-ride tickets are also available. Discounted tickets are also available to seniors, persons with disabilities, students, and children under 15 years. Amtrak also provides discounted tickets to various groups including active duty military, members of the American Automobile Association, and anyone traveling in a large group.

In the 2003-04 and 2004-05 the Pacific Surfliner will, as in other years, attempt to optimize both ridership and fare revenue as a result of its fare policies, adjusting fares up and down as the need arises and the market changes. During the Thanksgiving weekend in 2002 and 2003, advance reservations were required for the first time on Surfliner trains. The aim of this trial was to handle huge passenger loads in a more orderly and planned manner. The results of the Thanksgiving trial were positive, and the Department now anticipates making Thanksgiving reservations a permanent feature.

Food Service

A point-of-sale (POS) system of inventory control for the food service program was introduced in Spring 2002 and went fully operational in Spring 2003. The system has been successful in tracking sales data and revenue for all Surfliner trains. A task force of on-board food service personnel was recently formed to analyze sales data from the POS system to make adjustments to the menu. A new menu will be introduced in Summer 2004.

Various promotional events, which were successful during the summer of 2003, will be continued in 2004 to increase sales and awareness of the food service on board the trains. New directional signs were installed in the fall of 2003 in the cafe cars to provide passengers with easy access to the food service counter. Other modifications to the cafe car are scheduled to be completed in spring 2004 to improve upon accessibility to the food service area.

On-Time Performance

OTP was 89 percent in 2001-02. This was significantly above the 78 percent OTP in 2000-01. The improved OTP is primarily the result of the completion of key capital projects and an improved preventative maintenance program for locomotives. OTP for 2002-03 remains strong at 87 percent.

AMTRAK BUS OPERATIONS

Buses are used to reach markets not served by rail service. Government Code Section 14035.55 requires that Amtrak bus riders must use the train for part of their trip, thus Amtrak has specific ticketing policies to ensure bus access is not provided to non-train riders.

In FFY 2004-05, the basic structure of the Pacific Surfliner bus network will be maintained. Under Government Code Section 14035.2, the Department is required to do cost recovery analysis on bus routes, and restructure or discontinue routes if they do not meet standards. Cost recovery (or break-even) is determined by subtracting bus route operations costs from bus route revenue plus the train revenue contributed from bus route passengers. The Department continues to evaluate bus routes on this basis and restructure or eliminate routes as necessary. Also, certain stops may be added, relocated, or eliminated, and frequencies may be adjusted to reflect changing market conditions

The following principles are used to maximize the effectiveness of the feeder buses:

- Make the transfer between bus and train as seamless as possible. Amtrak buses are waiting for train passengers upon arrival at the connecting point, and deliver the passengers to their destinations on time.
- Take advantage of regularly scheduled stops at high traffic generators, such as Anaheim (Disneyland), San Diego and San Clemente (beach).
- Continue stops at special events such as fairs and festivals. This not only generates revenue, but also increases public awareness of the service.

Two Amtrak Thruway bus routes directly serve the Pacific Surfliner Route. These Routes are described below.

Route 4 supplements the Pacific Surfliner's four round-trips between Los Angeles and Santa Barbara. Bus service on this route is provided in order to fill schedule gaps. There is one southbound afternoon bus (Santa Barbara - Los Angeles) and one northbound evening bus (Los Angeles - Santa Barbara). The afternoon in-bound bus provides service from the outer Ventura and Santa Barbara counties' stops, and Van Nuys to Los Angeles. The evening outbound trip is the last schedule of the day along the Pacific Surfliner Route from Los Angeles to Santa Barbara, offering a later return than the last train. The bus provides discharge-only service to all Pacific Surfliner stops except Burbank Airport and Camarillo.

Route 17 between Santa Barbara and San Luis Obispo currently offers three daily round-trips, with one round-trip extending beyond San Luis Obispo to Paso Robles, Salinas, San Jose, San Francisco and Oakland. These buses connect at Santa Barbara with trains that terminate or originate at Goleta. A fourth round

trip operates between Santa Barbara and San Luis Obispo on weekends and holidays only, connecting with the weekend only train operating between Los Angeles and Goleta. This train also has a Route 17A connection between Santa Barbara and San Luis Obispo. The one round trip that serves the Bay Area basically parallels the Coast Starlight, however it operates later than the train in both directions, providing a back-up service when the Starlight is late for those making connections. The Surfliner-Thruway bus combination also makes lower promotional fares available for budget-conscious passengers. This bus, added in December 2002, has had good ridership.

In 2004, Amtrak plans to modify the schedule of the current weekend-only train. It will be extended to San Luis Obispo and operate daily, with a somewhat later schedule southbound. In conjunction with this extension, the weekend-only Santa Barbara-San Luis Obispo connection will be replaced by a daily San Luis Obispo-Bay Area connection, providing twice daily service on this popular route. The new bus connection will also connect with Capitol Corridor trains at San Jose or Oakland.

Route 17B operated between a train connection at Surf and Solvang via Lompoc. Unfortunately, this route was unable to meet the fare recovery criteria, so was discontinued on September 1, 2003.

Total ridership on the route for 2002-03 was 45,665, an 18 percent increase from 2001-02 ridership of 38,930. The increase in ridership was primarily the result of the addition of the Route 17A bus to San Francisco.

Twelve connecting San Joaquin Thruway bus schedules also contribute to ridership on the Pacific Surfliner, connecting with trains at Los Angeles. These buses provide connections to Long Beach, San Pedro, Santa Clarita and Bakersfield, and provide additional service between Los Angeles and San Diego.

INTERCITY RAIL CONNECTIVITY WITH OTHER TRANSPORTATION SYSTEMS

Connectivity with Commuter and Urban Transportation Services

The Pacific Surfliners connect with a number of commuter and urban rail systems as follows:

Metrolink – Metrolink operates regional rail service on seven routes in the greater Los Angeles area. Six of these routes radiate from Los Angeles Union Station and connect with the Surfliners. The Metrolink Ventura County Line stops at all Amtrak stations on the line as well as other Metrolink-only stops. The Metrolink Antelope Valley line connects to the Surfliners at Glendale as well as Amtrak buses in Lancaster and Santa Clarita/Newhall. The San Bernardino Line Thruway buses stop at the San Bernardino and Claremont stations.

On the Orange County Line, trains serve all Amtrak stops. On the Riverside Line, Thruway buses serve the Riverside station.

Beginning in September 2002, Amtrak and Metrolink inaugurated the Rail 2 Rail Program, which has been very successful. Under this program, Metrolink monthly pass holders may ride any Amtrak train or bus on any day (including weekends) within the limits of their monthly pass. In addition, Amtrak ticket holders may ride any Metrolink train within the limits of their Amtrak ticket. Passengers may buy either an Amtrak or Metrolink ticket and use it on the first train that shows up.

The next step in coordination between Amtrak and Metrolink will involve through ticketing between the two operators. For instance, a passenger will be able to purchase a through ticket at the Amtrak station in Santa Barbara for travel on the Pacific Surfliner to Los Angeles, and then on to San Bernardino on Metrolink. Conversely, passengers will be able to purchase tickets from the Metrolink ticket machine in Lancaster, that will take them to Los Angeles on Metrolink, and then on to San Diego on Amtrak. When ticket vending machines are fully installed by October 2004, through ticketing will be available from ticket vending machines.

Coaster – The Coaster Regional Rail service operating between Oceanside and San Diego connects to the Pacific Surfliner at Amtrak stations in Oceanside, Solana Beach, and San Diego. The Department plans to expand the Rail 2 Rail Program to the Coaster in April 2004.

Los Angeles Metro Rail – The Red and Gold Lines stop at Los Angeles Union Station, providing connections with Pacific Surfliner trains and buses.

San Diego Trolley – The San Diego Trolley operates light rail service on two lines serving the San Diego Amtrak station.

Caltrain – The extension of Thruway Bus Route 17 to San Jose and San Francisco provides connections with Caltrain Peninsula train service at San Jose.

See also the **Appendix** for a description of local transit serving Pacific Surfliner stations. The State will continue to pursue and enhance coordination between the intercity, commuter and urban transportation services.

Connectivity with Other Amtrak Services

The Pacific Surfliner Route is an element of Amtrak's national intercity rail passenger network. Many passengers use the Pacific Surfliners as part of a longer rail trip. Coordination of schedules with other services generates additional ridership and can improve overall efficiency. The following routes/trains provide significant connecting ridership for the Pacific Surfliners and, in turn, depend on the Pacific Surfliners for a significant portion of their own ridership.

San Joaquin Route – The State began supporting Amtrak train service in the San Joaquin Valley in 1979, and in 1981 the route was extended into Los Angeles by means of dedicated Amtrak Thruway buses connecting with the trains in Bakersfield. There are now four San Joaquin train round-trips from Bakersfield to Oakland, and two round-trips from Bakersfield to Sacramento and an extensive network of connecting Thruway buses. Taken together, the Pacific Surfliner and San Joaquin Routes provide basic transportation throughout virtually the entire State, and coordination between the two corridors is vital to maintaining a single unified system. Accordingly, close schedule connections at Los Angeles between the San Joaquin connecting buses and Pacific Surfliner trains will continue to be provided whenever possible.

Capitol Corridor – Extension of Thruway Bus Route 17 to the Bay Area allows connections with the Capitol Corridor at San Jose.

Coast Starlight – This train provides service between Los Angeles-Oakland-Sacramento-Portland-Seattle, providing Amtrak's basic service up and down the entire West Coast, linking Southern California with the San Francisco Bay Area, Sacramento, and the Pacific Northwest. The original Amtrak legislation in 1971 actually defined the Coast Starlight Route as extending from San Diego to Seattle, but the stub terminal at Los Angeles Union Station, and the lack of train turning facilities in San Diego, made through operation difficult.

Southwest Chief and Sunset Limited/Texas Eagle – These transcontinental trains are also part of Amtrak's original basic system, and they connect with the Pacific Surfliner at Los Angeles. They link California with the Southwest, Midwest and Southeast regions of the country. The Southwest Chief via Albuquerque and Kansas City is the most direct route to Chicago. The Sunset Limited runs to San Antonio, Houston, New Orleans, and Orlando. At San Antonio, the Sunset Limited exchanges through cars with the Texas Eagle, which runs north to Dallas, St. Louis and Chicago.

Connectivity with Streets and Highways

In Orange County, Pathfinder signs on local streets and roads and highways that guide passengers to Amtrak and Metrolink stations were reinstalled in 2003. Other Southern California counties were also surveyed in 2003 to ensure that Pathfinder signs were installed on State highways and local streets.

CHAPTER IV CAPITAL PLAN

BACKGROUND

In FFY 2004-05, the Department will continue a capital improvement program designed to improve service and increase ridership on the Pacific Surfliners. This chapter will focus on current capital projects. For the Pacific Surfliner Route long-term capital program, see the *California State Rail Plan 2003-04 to 2013-14*.

Capital improvements for the Pacific Surfliner Route will primarily focus on stations and track and signal infrastructure improvements. Descriptions of all rail stations served by the Pacific Surfliners are found in the **Appendix**.

Figure 4.1 is a summary of all capital investments on the corridor since the Department began participation in funding and administering the route in 1980. The column in the Figure titled “Underway” is detailed in **Figure 4.2** and the column titled “Programmed” is detailed in **Figure 4.3**. Together, **Figures 4.1, 4.2** and **4.3** give a complete picture of the capital projects and improvements on the corridor. A total of almost \$1.1 billion has been spent, allocated or programmed on the route on stations, track and signal projects, and maintenance facilities since 1980. (Note that these figures include some projects that have no direct State financial involvement.)

Figure 4.2 shows all projects that are currently underway. (Underway is defined as State funds having been allocated by the CTC and for other fund sources as funds being under contract.) **Figure 4.3** shows all projects that are programmed for funding – generally in the STIP. It is important to note that a single project will usually be funded from multiple funding sources and larger projects are often funded and completed in phases. Therefore, one project (particularly larger projects) could be listed on both **Figures 4.2** and **4.3** and also be included in the “Completed” column on **Figure 4.1**. As an example: the completed first phase of a project and fully expended funds (from one specific fund source) for the second phase of the project would be listed on **Figure 4.1**; allocated but unexpended funds from a second fund source for the second phase of the project would be listed on **Figure 4.2**; and programmed funds for the project would be listed on **Figure 4.3**. Thus, these figures show the completed, current and programmed activity for all projects, consistent with the 2002 STIP, as amended.

Since December 2002 allocations of Traffic Congestion Relief Program (TCRP) funds have been suspended. Currently the Governor’s Proposed 2004-05 Budget would repeal the TCRP and eliminate special statutory status for projects identified in the TCRP. Originally, a total of \$148.5 million in TCRP funds were specified for the Pacific Surfliner Route, of which the Commission has allocated

\$16.2 million. The remaining \$132.3 million was reserved for: L.A. Union Station run through tracks and 5th lead track (\$20.7 million); Los Angeles – Fullerton triple track (\$66.9 million); track projects in San Diego county (\$22.7 million); and the National City Layover facility (\$22 million). The \$132.3 million in TCRP funds have been deleted from the Pacific Surfliner capital program as listed in **Figures 4.2** and **4.3**. Other fund sources will be sought for TCRP projects, including potential STIP funding.

The new 2004 STIP Fund Estimate was approved by the CTC in December 2003. Based on this Fund Estimate, a new 2004 STIP will be adopted in late 2004. As a result of a number of factors, including the State budget crisis, and projected reductions in federal transportation revenues, the 2004 Fund Estimate projects a decrease in available funding in the new STIP period. Therefore, most projects will have to be delayed to later years.

NEW STATIONS AND STATION IMPROVEMENTS

Below are descriptions of station projects that were completed since 2000, and projects that are underway and programmed. Station projects are arranged in geographic order from north to south. Only projects with a total cost exceeding \$2.0 million are discussed (although all projects are listed on **Figure 4.2**). Note that the recently completed projects are not listed on **Figure 4.2**.

The State, in most cases, does not own stations. The majority of stations are owned by cities, Amtrak, railroads, or private development companies. However, the State funds and oversees many station improvement projects.

San Luis Obispo – This project was completed in the end of 2001. An approximately 10,000 square-foot parcel of UP property near the historic station was purchased. Improved thruway and local bus facilities, as well as better access for bikes and pedestrians were completed. Parking facilities were also expanded.

Surf – The new intercity rail station, opened in March 2000, at Surf Beach, near Lompoc is an unstaffed station and was a joint project between Santa Barbara County and the Department. The station serves the City of Lompoc and surrounding communities including Vandenberg Air Force Base. The station consists of a loading platform, three open-air shelters, benches, public telephone, restrooms, a parking lot with approximately 39 spaces and a bus-loading zone.

Camarillo – The Camarillo station improvement project began in June 2000. \$4.7 million in local and federal funds has been encumbered for the project and an additional \$3.9 million in State funds is programmed. The project includes design, construction, and ROW purchase for improvements to the station platform and the parking at the Camarillo rail station. The project also will include the installation of shelters, seating, lighting, public art works, and bike parking to

serve Pacific Surfliner and Metrolink rail passengers. Construction began in late 2002 and scheduled for completion in 2005-06.

Fullerton – \$3.0 million is programmed to build a multi-level parking structure for the Fullerton Transportation Center. The increased parking will accommodate both intercity and commuter rail passengers. Design on this project started in 2002.

Santa Ana - \$5.5 million has been allocated to construct a pedestrian bridge over the main line to access the center platform. This improvement will greatly improve passenger safety and flexibility in loading trains. Design started in 2003. Construction is planned to start in late 2004 and to be completed in 2005-06.

Irvine – A new pedestrian bridge was completed in June 2001, which provides access to the second platform. The project included elevators, landscaping and architectural treatments. Additional parking is now needed at the rail station to serve commuters and intercity passengers. \$5.1 million is now reserved to construct a parking structure.

San Clemente – The Department and Amtrak, with the City of San Clemente's concurrence completed improvements in May 2000 to the platform and provided ADA access for the station at the San Clemente Pier. Amtrak service returned to the Pier station on a seasonal basis in May 2000.

Oceanside – \$4.9 million is programmed for a 450-space parking structure. The structure will benefit Amtrak, Metrolink and Coaster service. ROW has been purchased by the City. Design started in 2003, and construction is planned to start in mid-2004.

Ticket Vending Machines – \$13.9 million has been encumbered for ticket vending machines and software to be purchased for all unstaffed Amtrak Pacific Surfliner stations, including joint-use Metrolink/Amtrak stations. The system, planned to be operational in October 2004, will permit ticket purchases of either or both commuter and intercity train tickets. For the first time passengers will be able to purchase through tickets for a combined Amtrak/Metrolink trip. Currently, at unstaffed Amtrak stations, patrons are required to purchase tickets onboard from the conductor or purchase tickets in advance from a travel agent. This modernization will improve cash handling operations and accounting. Hardware and software design is currently underway.

Electronic Information Systems – \$1.9 million has been encumbered to install electronic message signs at stations to inform Amtrak, Metrolink, and Coaster patrons of train arrival status, including late arriving trains. This will facilitate patrons' ability to make connections between Amtrak and Metrolink trains. Design of the system is currently underway.

TRACK AND SIGNAL IMPROVEMENTS

Below are descriptions of the track and signal projects that were completed since 2000, and projects that are underway and programmed with a total cost exceeding \$2 million (although all projects are listed on **Figures 4.2** and **4.3**). The projects are listed geographically from north to south. See the “Capital Program” section above for further detail on the organization of **Figures 4.2** and **4.3**.

The State does not own any rail tracks in the Pacific Surfliner corridor. Between San Luis Obispo and Moorpark, the ROW is owned by UP. South of Moorpark to San Diego, the majority of the ROW is owned by public transportation entities. However, the State funds and oversees many track and signal projects.

San Luis Obispo CTC Project – \$3.8 million is programmed for this project to extend centralized traffic control (CTC) from the north to the south end of the existing double track at San Luis Obispo. Also, a new CTC control point will be installed. This project will facilitate on-time departures from the San Luis Obispo layover facility and the station. Design is complete and construction is planned to start in 2004.

Gaviota Siding Upgrade – This \$2.1 million project was completed in October 2003. The siding was rehabilitated to allow the new CTC signal system and to increase speeds.

Santa Barbara County Rail Replacement Project – \$4.8 million is allocated for this project to install continuous welded rail. The project will improve ride quality, reduce travel time, and enhance safety. The project was started in December 2002 and is scheduled to be completed in 2004.

Ellwood-Seacliff Track and Signal Improvements – This \$12.7 million project was completed in 2002. The project replaced the old block signal system with 31 miles of CTC. A new 9,000-foot siding was constructed adjacent to the Goleta Layover facility, the existing Seacliff siding was rehabilitated and power switches were installed. The project creates a long new siding at Ellwood to improve freight and passenger train movement and replaces the outdated block signal system with CTC.

Goleta-Moorpark Track and Signal Improvements – The Moorpark to Goleta track, siding and signal upgrade project was completed in 2001 at a cost of over \$30 million. The work included new continuous welded rail, cross ties, ballast, extension of existing sidings, construction of two new sidings, grade crossing improvements and new CTC signal system. This major improvement project has modernized the Pacific Surfliner Route from the Ventura/Los Angeles County line (Moorpark) to Santa Barbara County at Goleta.

Moorpark-Simi Valley Rail Replacement – \$4.0 million is programmed for this project to replace rail on seven miles of track between Moorpark and Simi Valley. The project will improve safety and increase speeds.

Hasson Siding Extension – This project, completed in 2003, extended the current siding to 10,000 feet, creating the opportunity for running train meets. It improved OTP and schedule reliability.

Santa Susana Tunnel 26 – \$500,000 has been allocated and \$9.8 million has been programmed for this project to upgrade the 7,369 foot tunnel, originally built in 1905, to withstand seismic activity. The tunnel is heavily used by intercity, commuter, and freight trains. A previous rehabilitation project on this tunnel, completed in October 2000, included replacement of rail cross ties, ballast and installation of drainage improvements. This project permitted passenger train speeds to increase from the previous 10-25 mph to 40 mph.

Chatsworth Track and Station Improvements – This \$4.5 million project was completed in 2002. It added a second platform at the station, extended a siding, and added CTC. This project allows two passenger trains to stop at the station at the same time.

Los Angeles Union Station Run-through Tracks – This major project has an initial allocation of \$12.1 million. The initial funding is adequate for preliminary design and environmental clearance, but not for final design and construction. The environmental clearance and preliminary design began in 2002 and will be completed in 2004.

This project involves the construction of run-through tracks at Los Angeles Union Station. Run-through tracks would eliminate the need for trains to reverse direction to exit Union Station; trains could instead run-through on some tracks. This would result in significantly reduced delays and improved running times for intercity and commuter rail trains. The project involves the construction of the run-through tracks across US 101 from Union Station to mainline track along the Los Angeles River.

Los Angeles-Fullerton Triple Track – \$45.6 million has been programmed for this project to construct 14.1 miles of triple track, in three segments, between Los Angeles and Fullerton in Orange County. An additional \$5.0 million is programmed for the DT Junction to La Mirada segment. The two existing main rail lines in this area are at capacity. Thus, the only method to increase passenger rail capacity is to construct triple track. Also, this line serves the freight needs of the Ports of Long Beach and Los Angeles. Therefore, this project will also greatly aid in relieving freight congestion.

This project is in three segments: Bandini to D.T. Junction (3 miles); D.T. Junction to La Mirada (5.6 miles); and La Mirada to Basta (5.5 miles). Design and environmental clearance will be completed on all three segments in

2004. Construction on the Bandini to D.T.Junction is planned to start in 2004. Construction funds are also available for the La Mirada to Basta segment and have been programmed for the DT Junction to La Mirada section. However, all construction funds for this project have not yet been identified.

Redondo Junction Flyover – Construction was completed in summer 2001 for the 40-mph flyover track at the Redondo Junction, as part of the overall improvement to the Alameda Corridor. This project improves the operations of the intercity trains and commuter trains on the Pacific Surfliner route by separating them from all freight train movements to and from the Alameda Corridor.

Orange County Capital Renovation - \$4.9 million has been allocated for this project to rehabilitate track in Orange County.

Lincoln Avenue Double Track – \$16.5 million has been allocated for this project that closes a major (1.8 mile) gap in Orange County double-track territory and creates improved opportunities for trains to pass each other. The environmental work has been completed, and construction is anticipated to start in 2004.

Environmental Document for LOSSAN Corridor County Rail Upgrade – \$2.5 million has been allocated for this project to complete a Program Environmental Impact Report under CEQA, an Environmental Impact Statement under NEPA and a strategic corridor plan for rail upgrades on the corridor between Los Angeles and San Diego. The strategic plan was completed in October 2003 and the EIR/EIS is anticipated to be completed in late 2004.

San Onofre Siding Track Improvements – \$5.6 million has been allocated for this project to extend the existing San Onofre siding, creating improved passing opportunities. This project will also improve schedule reliability. Preliminary design and environmental work were completed 2003. Construction is planned to start in 2004.

CP Flores-CP O'Neil Double Track – \$4.6 million has been allocated for this project to construct 1.8 miles of second main line track, including a CTC signal system. The project will improve reliability and passing capabilities. Preliminary design and environmental work is now underway.

Santa Margarita Double Track Bridge – \$2.5 million has been allocated for this project to prepare environmental documentation and engineering to replace a timber and steel bridge with a concrete and steel double track bridge. Design started in 2002.

Encinitas Siding – \$6.3 million has been allocated for this project to design and construct a siding. This project is under construction, and planned for completion in mid-2004.

Del Mar Bluffs Stabilization – In San Diego County, the design phase of the Del Mar Bluffs stabilization project is completed. Phase I construction for drainage improvements was completed in 2002-03. \$5.0 million has been encumbered for phase II construction work to ensure the stability of the bluffs and prevent possible track outages due to slope failures. The Pacific Surfliner intercity trains, the Coaster commuter trains and the BNSF freights currently use the track for their operations. Four-fifths of phase II construction is federally funded.

Sorrento–Miramar Double Track – \$3.5 million has been allocated for project design for the Sorrento to Miramar double track project that will increase train speeds at this location from the current 30 mph to 50 mph. This improvement project will create several miles of new passing track and will reduce travel time by several minutes. Preliminary design and engineering are complete. \$28.2 million is programmed for construction.

Falsebay Passing Track – This project, completed in 2003, constructed approximately 3 miles of new passing track. It created the opportunity for running train meets, and improved schedule reliability.

Track Signal and Infrastructure Upgrade – \$1.5 million has been encumbered for this project to upgrade system infrastructure, including tracks, signal equipment, layover facilities, and signage in territory served by Metrolink. 75 percent of the territory to be improved also serves the Pacific Surfliner route. An additional \$3.4 million has been programmed for this project.

MAINTENANCE AND LAYOVER FACILITIES

Los Angeles Railcar Service and Inspection and Locomotive Maintenance Facility – This project was completed in mid 2001. It involved \$7 million in State funds and about \$24 million in Amtrak funds. The project is located in Amtrak's existing Eighth Street Yard in Los Angeles. The new service and inspection facility now allows most of the day-to-day maintenance functions to be performed without disassembling the train. The enclosed facility now has pedestal tracks and other facilities to support inspection and maintenance activities on all of Amtrak's southern California fleet, including both the California Cars and new Surfliner Cars.

Additionally, on the same site a modernized locomotive maintenance facility was constructed. Also the support yards on either side of the service and inspection facility were reconstructed, and a new modern car wash facility was constructed.

National City Joint Use Layover Facility – The purpose of this project is to construct a layover facility at the southern terminus of the Pacific Surfliner line. The National City facility project will consist of site acquisition, design, and construction of a facility adjacent to the rail line to clean, service and perform light maintenance for Pacific Surfliner intercity trains and BNSF locomotives.

The project also includes track and grade crossing improvements between the San Diego station and the new facility. The facility is planned for joint use where BNSF locomotives will use the facility for turn-around service.

Primary benefits of this project include more efficient equipment utilization, more frequent cleaning of cars, and the ability to immediately address needed repairs. Project design was completed in spring 2003. The Department has contracted with the BNSF to complete design and engineering work on the maintenance facility and the track and grade crossing improvements. A total of \$4.9 million is programmed for this project. Currently no construction funds are identified for this project.

EQUIPMENT

The U.S. Taxpayers' Relief Act of 1997 provided an additional \$2.2 billion for Amtrak nationwide. This funding permitted Amtrak to commit approximately \$105 million for new Pacific Surfliner passenger cars to serve this route. Eight trainsets of new Surfliner Cars were placed in service by the spring of 2001. (The first delivery started in May 2000.)

The new cars replaced severely outdated equipment. The cars are based on the California Car design pioneered by the Department that allows faster loading and unloading, shorter dwell times at stations, and is handicap accessible. The new cars also feature improved reclining and reversible seats, more downstairs seating, an upstairs restroom, larger luggage racks, with fabrics and flooring designed for lower maintenance cost and better resistance to soiling.

In addition, Amtrak purchased and placed into service 14 new state-of-the-art F59 locomotives on the Pacific Surfliner at a cost of \$30 million. Replacement of older equipment reduced equipment maintenance, breakdowns, and increased OTP.

The State was able to supplement the Amtrak order with over \$50 million in state funds from a variety of sources to buy additional cars for both Southern and Northern California. In Southern California, the State purchased two additional train sets to complete the new Pacific Surfliner fleet, for a total of ten sets of equipment. Each set of equipment has five cars. The State has purchased three cab cars, two food service cars, two business class cars and three coach cars. All of the ten cars were delivered by early 2002.

The new cars are under a three-year warranty. During the three-year period the Department conducts regular inspections, documents equipment failures, evaluates defects to determine fleet-wide impacts, and coordinates with Amtrak for repairs.

Figure 4.1 - Summary of Capital Projects

Intercity Rail Capital Projects <i>Pacific Surfliner Route</i> (Dollars in thousands)				
Project Type	Completed	Underway	Programmed	Total
Stations	\$187,570	\$30,945	\$14,601	\$233,116
Track and Signal	\$612,136	\$128,060	\$52,663	\$792,859
Maintenance Facilities	\$45,840	\$4,900	\$0	\$50,740
Total	\$845,546	\$163,905	\$67,264	\$1,076,715

Figure 4.2 – Detail of Capital Projects – Underway

PACIFIC SURFLINER ROUTE PROJECTS UNDERWAY (Dollars in thousands)			
Project Description	State Funds	Other Funds	Total
<u>STATION PROJECTS</u>			
Santa Barbara			
Purchase historic rail car, and renovate station	\$0	\$396	\$396
Camarillo			
Construct station improvements and parking lot	\$0	\$4,732	\$4,732
Moorpark			
Replace tactile edge of platform	\$86	\$0	\$86
Simi Valley			
Replace tactile edge of platform	\$156	\$0	\$156
Chatsworth			
Construct an additional 140 space parking lot	\$595	\$0	\$595
Van Nuys			
Expand parking	\$1,600	\$0	\$1,600
Los Angeles			
Various interior and exterior station renovation projects	\$600	\$30	\$630
Santa Ana			
Construct Pedestrian Bridge	\$5,500	\$0	\$5,500
Create 1000 foot mural of historic events	\$0	\$500	\$500
Oceanside			
Environmental document and design for a 450 space parking structure	\$910	\$0	\$910
Multiple Stations			
Ticket Vending Machines	\$3,505	\$10,425	\$13,930
Electronic Information System	\$1,228	\$682	\$1,910
TOTAL STATION PROJECTS	\$14,180	\$16,765	\$30,945

PACIFIC SURFLINER ROUTE PROJECTS UNDERWAY (Dollars in thousands)			
Project Description	State Funds	Other Funds	Total
<u>TRACK AND SIGNAL PROJECTS</u>			
San Luis Obispo CTC Project Extend CTC from north to south end of double track, install new CTC control point	\$3,350	\$457	\$3,807
Santa Barbara County Track Improvements Install new continuous welded rail	\$4,000	\$819	\$4,819
Moorpark Siding Upgrade Replace worn rail and ties on siding	\$740	\$0	\$740
Moorpark-Simi Valley Crossing Improvements Construct median barriers, related signage and fencing at 8 locations	\$700	\$0	\$700
Moorpark-Burbank Track & Signal Improvements Replace worn rail, renovate turnouts	\$0	\$1,492	\$1,492
Strathean Siding Upgrade Replace worn rail and ties on siding	\$1,640	\$0	\$1,640
Hasson Siding Extension Extend siding to 10,000 feet and upgrade switches	\$111	\$0	\$111
Santa Susana Tunnel #26 Upgrade Design for seismic upgrade to tunnel	\$500	\$0	\$500
River Corridor Track and Signal Imps – North of LA Replace ties, rails and underground cables; upgrade standby power systems	\$0	\$1,055	\$1,055
Los Angeles Union Station Fifth Lead Track Design fifth lead track into Union Station	\$389	\$0	\$389
Los Angeles Union Station Run Through Tracks Prepare environmental documentation and design for run-through tracks at Union Station	\$12,065	\$0	\$12,065
Commerce Track Improvements Construct additional track	\$1,834	\$0	\$1,834
<u>Los Angeles – Fullerton Triple Track</u>			
A. Bandini to D.T. Junction Construct 3 miles of third main track	\$12,780	\$4,920	\$17,700
B. DT Junction to La Mirada Prepare environmental documentation and engineering for 5.6 miles of third track	\$3,000	\$0	\$3,000
C. La Mirada to Basta Prepare environmental documentation, engineering and construction for 5.5 miles of third track	\$24,900	\$0	\$24,900
Total Los Angeles – Fullerton Triple Track Projects	\$40,680	\$4,920	\$45,600
Orange County Capital Renovation Rehabilitate track	\$4,860	\$0	\$4,860
Lincoln Avenue Double Track Construct 1.8 miles of second main track between Almond Street (Orange) and 17 th Street (Santa Ana); includes second bridge over Santiago Creek	\$16,449	\$0	\$16,449

PACIFIC SURFLINER ROUTE PROJECTS UNDERWAY (Dollars in thousands)			
Project Description	State Funds	Other Funds	Total
<u>TRACK AND SIGNAL PROJECTS (cont)</u>			
Environmental Document For Rail Corridor Upgrade between Los Angeles – Orange County – San Diego Prepare program level environmental impact report for corridor upgrade projects	\$2,498	\$0	\$2,498
San Onofre Siding Track Improvements Extend siding and upgrade related signals	\$5,600	\$0	\$5,600
CP Flores-CP O'Neil Double Track Design and environmental documentation for 1.8 miles of second main line track including CTC Signal System	\$3,350	\$1,250	\$4,600
Santa Margarita Double Track Bridge Prepare environmental documentation and engineering to replace timber and steel bridge with concrete and steel double track bridge	\$2,500	\$0	\$2,500
Oceanside Double Track Design 1.2 miles of double track	\$500	\$0	\$500
Encinitas Siding Design and construct siding	\$6,288	\$15	\$6,303
Del Mar Bluffs Stabilization Stabilize bluff area subject to erosion	\$1,000	\$4,000	\$5,000
Sorrento-Miramar Double Track Design second main track between Sorrento (CP Pines and Miramar (CP Cumbres) to increase speeds	\$3,498	\$0	\$3,498
Track Signal and Infrastructure Upgrade Upgrade system infrastructure (tracks, signal equipment, layover facilities and signage) in territory served by Metrolink (represents intercity related 75% of total funding)	\$0	\$1,500	\$1,500
TOTAL TRACK AND SIGNAL PROJECTS	\$112,552	\$15,508	\$128,060
<u>MAINTENANCE AND LAYOVER FACILITIES</u>			
National City Layover Facility Design a passenger train layover and maintenance facility	\$3,900	\$1,000	\$4,900
TOTAL MAINTENANCE AND LAYOVER FACILITIES PROJECTS	\$3,900	\$1,000	\$4,900
TOTAL ALL PROJECTS UNDERWAY	\$130,632	\$33,273	\$163,905

Figure 4.3 - Detail of Capital Projects - Programmed

PACIFIC SURFLINER ROUTE PROJECTS PROGRAMMED (Dollars in thousands)			
Project Description	State Funds	Other Funds	Total
<u>STATION PROJECTS</u>			
Oxnard			
Construct parking lots, and landscaping	\$1,081	\$0	\$1,081
Camarillo			
Construct station improvements and parking lot	\$3,729	\$204	\$3,933
Simi Valley			
Construct platform enhancements and renovate platform	\$0	\$680	\$680
Los Angeles			
Various interior and exterior station renovation projects	\$0	\$1,007	\$1,007
Fullerton			
Design and construct a multi-level parking structure with 700 spaces	\$3,000	\$0	\$3,000
Oceanside			
Construct 450 space parking structure	\$0	\$4,900	\$4,900
TOTAL STATION PROJECTS	\$7,810	\$6,791	\$14,601
<u>TRACK AND SIGNAL PROJECTS</u>			
Moorpark-Simi Valley Rail Replacement			
Replace 7 miles of track	\$4,000	\$0	\$4,000
Santa Susana Tunnel #26 Upgrade			
Construct seismic tunnel upgrade	\$9,500	\$250	\$9,750
Ventura/LA County Line-Wood Tie Replacement			
Replace old ties with new wood ties	\$0	\$128	\$128
Ventura/LA County Line-Signal Improvement			
Upgrade signals	\$0	\$343	\$343
Los Angeles – Fullerton Triple Track			
DT Junction to La Mirada Section - Prepare environmental documentation and engineering for 5.6 miles of third track	\$5,000	\$0	\$5,000
Orange County Track and Signal - Improvements			
Upgrade signals	\$0	\$134	\$134

PACIFIC SURFLINER ROUTE PROJECTS PROGRAMMED (Dollars in thousands)			
Project Description	State Funds	Other Funds	Total
<u>TRACK AND SIGNAL PROJECTS (cont)</u>			
San Dieguito River Bridge Design and Engineering Preliminary design and environmental for new double track concrete bridge	\$855	\$0	\$855
Sorrento-Miramar Double Track Construct second main track to increase speeds	\$28,219	\$0	\$28,219
Trespasser Barriers Purchase and install concrete barriers	\$0	\$44	\$44
Track Signal and Infrastructure Upgrade Upgrade system infrastructure (tracks, signal equipment, layover facilities and signage) in territory served by Metrolink (represents intercity related 75% of total funding)	\$285	\$3,090	\$3,375
Rail Grinding - Systemwide Grind rail to original profile and remove surface defects	\$0	\$473	\$473
Signal and Communication Program - Systemwide Upgrade Signals	\$0	\$342	\$342
TOTAL TRACK AND SIGNAL PROJECTS	\$47,859	\$4,804	\$52,663
TOTAL ALL PROJECTS PROGRAMMED	\$55,669	\$11,595	\$67,264

AMERICANS WITH DISABILITIES ACT (ADA)

The statewide ADA Project brought 48 intercity rail facilities along the San Joaquin, Pacific Surfliner, and Capitol Corridor routes into compliance with State and federal mandates. Federal law stipulates that Amtrak should comply with ADA regulations, nationally, by FFY 2010. However, the Department's goal was to have all upgrades completed by FFY 2002. This goal was met for all stations on all three Routes.

A system-wide project that will also improve station accessibility is the installation of Passenger Information Systems at stations to provide real-time audio and visual information on train arrivals and departures. The system is now fully operational on the Capitol Corridor and will be operating on the San Joaquin Route by June 2004. On the Pacific Surfliner Route, the Department is working with Metrolink to integrate the Department's passenger information system with the Metrolink information system in shared stations of the Pacific Surfliners.

The type of ADA modifications that were generally made at stations included: replacing tactile edges; constructing concrete sidewalks; improving pedestrian access and drop off and loading zones; restriping parking lots; modifying ticket

counters; replacing restroom fixtures, signs, telephones, water fountain, informational displays; and repairing door closure devices.

Improvements were made to the following stations: San Luis Obispo, Santa Barbara, Ventura, Oxnard, Moorpark, Simi Valley, Chatsworth, Van Nuys, Burbank Airport, Los Angeles, Fullerton, Anaheim, Santa Ana, Irvine, San Juan Capistrano, Oceanside, Solana Beach and San Diego.

CHAPTER V

FFY 2004-05 ACTIONS

ACTION PLAN

During FFY 2004-05, the Department will take the following actions to enhance the Pacific Surfliner Route service, in order to meet the performance measures established for the Pacific Surfliner.

Operating Elements

- Second daily round-trip from Los Angeles to San Luis Obispo is proposed to start in 2004–05. Public relations and advertising will promote the new train.
- Continue marketing and advertising based on seasonal themes.
- Continue to expand the successful Rail 2 Rail Program.
- In 2004, market Amtrak/Metrolink through ticketing option, once new ticket vending machines are operational.
- Expand the Rail 2 Rail Program to the Coaster Service in spring 2004.
- Expand partnerships with other organizations for joint advertising and promotions. Continue the joint Department of Tourism “Rediscover California” TV. marketing program.
- Continue evaluation of feeder bus services to assure continued cost-effective operation.

Capital Elements

- Start construction in 2004 on Los Angeles-Fullerton triple track project (Bandini – D.T. Junction segment).
- Start construction in 2004 on Lincoln Avenue double track project in Orange County.
- Continue work on several track, signal and bridge projects in San Diego County including: San Onofre track improvements, CP Flores-CP O’Neil double track, Encinitas siding, and Del Mar Bluffs stabilization.
- Complete environmental clearance and engineering on the Los Angeles Union Station run-through track project in 2004.
- Continue construction on the Camarillo station and Santa Ana station pedestrian bridge.
- Implement a new system of ticket vending machines at Metrolink and Amtrak stations by October 2004, allowing through ticketing between Amtrak and Metrolink.

